The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, DECEMBER 21, 1933

"WESTERN AND SOUTHERN GROUP"

THE WESTERN AND SOUTHERN INDEMNITY COMPANY

Policyholders Surplus - - - $1,506,656.98

ALL SECURITIES VALUED AT MARKET, DECEMBER 31, 1932

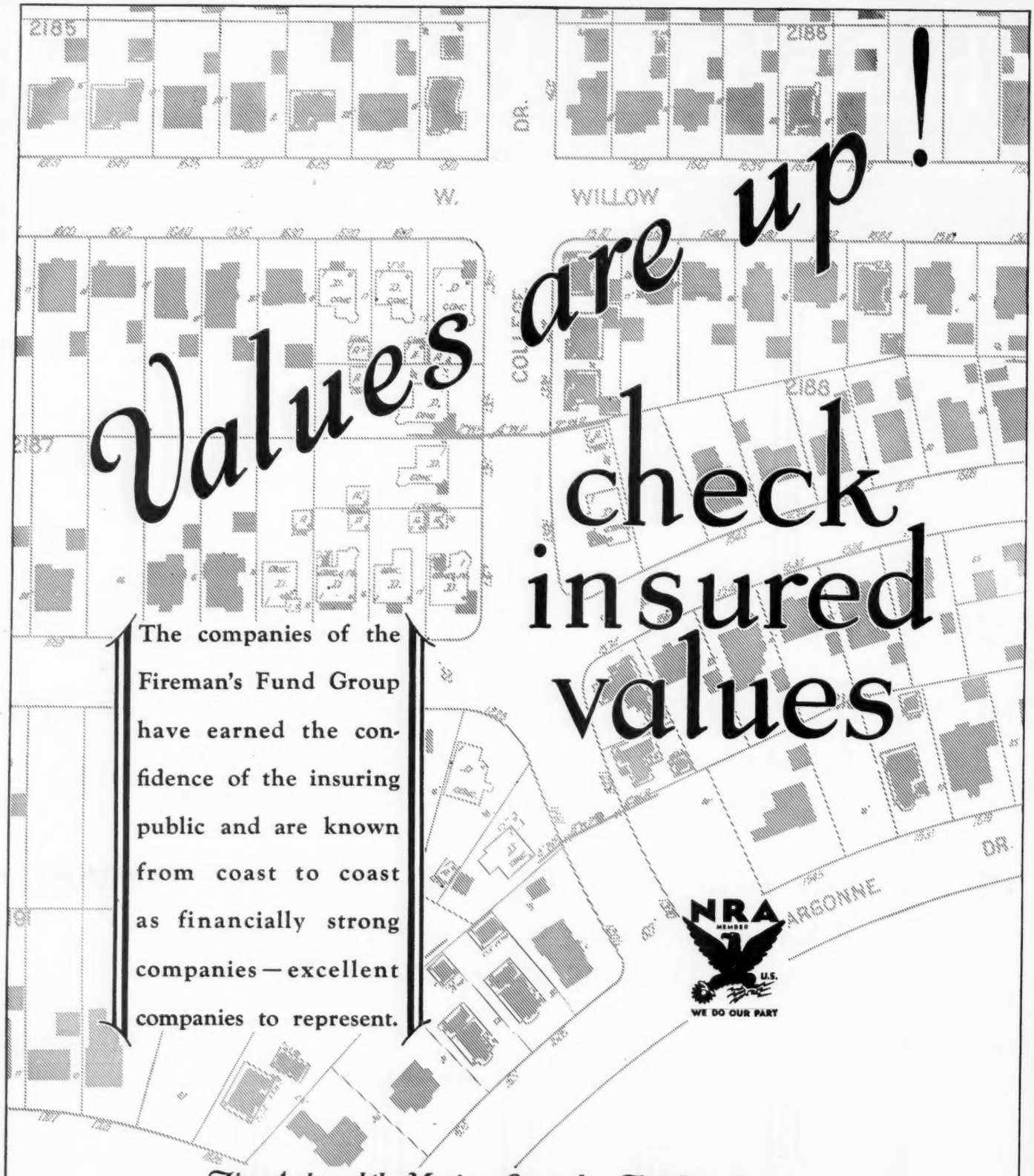
THE WESTERN AND SOUTHERN FIRE INSURANCE COMPANY

Policyholders Surplus - - - $493,330.74

ALL SECURITIES VALUED AT MARKET, DECEMBER 31, 1932

CHARLES F. WILLIAMS, President — CINCINNATI, OHIO

Address—WILLIAM C. SAFFORD, General Manager



Values are up! check insured values

The companies of the Fireman's Fund Group have earned the confidence of the insuring public and are known from coast to coast as financially strong companies—excellent companies to represent.

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Fireman's Fund Insurance Company — Occidental Insurance Company
Home Fire & Marine Insurance Company
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NORWICH UNION

We extend to you the Season's most Hearty Greetings and may the New Year bring to you a full measure of Good Health and Prosperity

NORWICH UNION
FIRE INSURANCE SOCIETY, LTD.
75 Maiden Lane, New York
Hart Darlington, *Manager*

Eagle Fire Company
of NEW YORK
Incorporated 1806
75 Maiden Lane, New York
Hart Darlington, President
The Oldest New York Insurance Company

NORWICH UNION
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Hart Darlington, Chairman of the Board
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In NORWICH UNION there is strength

COMPANIES

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AUTOMOBILE



INLAND MARINE
TORNADO

THE MONARCH LINE INCLUDES:

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Contractors Equipment
Department Store Floaters
Dyers and Cleaners Customers Goods
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Fine Arts
Fire
Fur Coat Floater
Furrier's Customers Form
Golfer's Equipment
Inland Transit
Installment
Jewelry
Laundry Bundle
Leasehold
Miscellaneous Coverages
Motor Truck Cargo
Musical Instruments
Neon Signs
Parcel Post
Personal Effects
Physicians and Surgeons Instruments
Railroad and Express Floater
Rents
Registered Mail
Riot and Civil Commotion
Silverware
Tailor's Customer Form
Tornado
Trip Transit
Use and Occupancy
Wedding Present Floater

MONARCH
FIRE INSURANCE COMPANY

CLEVELAND, OHIO

Capital $500,000.00 **Ralph Rawlings, President**

INDIVIDUAL INTEREST IN EVERY POLICYHOLDER—FAIR AND FRIENDLY ADJUSTMENTS

The National Underwriter

Thirty-Seventh Year—No. 51 CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 21, 1933 $4.00 Per Year, 20 Cents a Copy

Expect 20 Percent Drop in Premium

Automobile Insurance Companies' 1933 Returns Show Effects of Depression

PROSPECT NOW BETTER

Boom in Car Sales in Last Half Year, Anticipated Price Advances to Help

NEW YORK, Dec. 20.—When final returns for 1933 are available the expectation is that the premium income received by stock companies on automobile fire, theft and collision covers will be approximately 20 percent less than last year. It is a fair assumption that non-stock writing offices will show a similar falling off in income.

This result is not surprising in view of the restricted number of new car sales during the major part of 1933, and the decreased insurance values of used machines. As an offset the overall loss ratio for the year has been satisfactory though exceptionally heavy theft losses were suffered at various centers. This was particularly true in and about Chicago, where thefts continued despite the unusual vigilance exercised by police and other protective agencies.

New Car Sales Advance

Since mid-summer there has been a gratifying increase in the number of new car sales, the greater percentage though being of modestly priced makes. As these cars in most instances are bought on the instalment plan insurance on them is placed through finance corporations. Thus insurance companies as a whole will not secure the coverage until next year. As an offset against this probable premium gain next year, the companies will be compelled to pay more for repairs to stolen machines, and for the theft of accessories, as provisions of the automobile dealers' NRA code prohibit granting discounts such as the insurance carriers have enjoyed for many years on replacement. This will mean an increase in the loss cost, even though the percentage of stolen or damaged cars should continue normal.

Another item to be considered in future rate-making is that automobile manufacturers are understood to have determined on an increase in price of cars. Preliminary reports to the National Automobile Chamber of Commerce indicate that the number of cars and motor trucks manufactured in 1933 approximate 2,040,000, a gain of 42 percent over last year's output.

Plan Canadian Meeting

The Canadian Associati.n of Insurance Superintendents will hold its 1934 annual meeting in September, either in St. Johns or St. Andrews, N. B. Superintendent R. P. Hartley of New Brunswick is president of the association.

More Roseate Hue Seen in Fire Insurance Offices

By C. M. CARTWRIGHT

NEW YORK, Dec. 20.—Fire companies' executives are in a much better frame of mind than they were a year ago at this time when 1932 was closing. There is a more buoyant and hopeful spirit in spite of uncertainties of the times, the political revolution that is in progress and the many projects that have been started at Washington.

Naturally these executives, like all others, realize that the public will be called upon to pay for generations to come the financial obligations that are now being incurred. Undoubtedly they know, too, that capital investment will not yield the returns that it has in the past. Stockholders will have to be content with less dividends. There will be a leveling in income all along the line and those who toil will get a larger share than they have in the past and those who invest, a lesser amount.

Took an Upward Turn

The fire insurance business took an upward turn following the bank moratorium and the reopening of these financial institutions on a more satisfactory basis. Confidence was created in the minds of the people and they felt that their money was safe. The uncertainties of the future were considerably wiped out. This undoubtedly had a real effect in reducing moral hazard.

Furthermore prices started to increase and owners of merchandise felt that values were likely to increase still further. It might be expensive to have a fire.

Then again the enforcement of the 60 day loss clause, in the minds of most executives, has had a very salutary effect. While the practice has been modified since it was first put into effect, most companies feel that the present plan should be continued although some advocate that instead of 60 days from filing proof of loss, payment should be made within 60 days from date of loss. Whether this loss payment clause has had the full effect that its sponsors and friends credit to it, the fact is that the loss ratio since it went into effect shows a marked decrease.

Have Satisfactory Loss Ratio

The companies are closing the year with a very satisfactory loss ratio in spite of the reduced income. If there is no catastrophe between now and Jan. 1 almost all companies will count the year an excellent one from a loss standpoint. In spite of troubled business conditions it now seems as if the people have become adjusted to their new environment and have balanced their budgets. While debts overhang people on all hands they seem to see a way out which they had not in the past.

The loss ratio on purely fire business is very satisfactory. Some companies writing farm business have not fared so well. The tornado loss ratio in the central west, especially in rural sections, is quite high.

The premium income of fire companies will this year show a reduction running from 5 to 17 percent. The average is probably around 10 percent. Up to Sept. 1 the average was 13 percent. There are not many indications of increased activity in business, but here and there are some evidences of better times. Local agents undoubtedly are succeeding far better now in squaring their operations with existing conditions. Collections as a rule this year are more satisfactory. Local agents have naturally revamped their clientele and weeded out those that are not able to pay. Their companies are insisting on balances being paid more promptly and therefore the business system has improved.

Expense Ratio Is High

Naturally with the reduced premium income and less investment income, the expense ratio is still high and it may show a slight increase. This probably is unavoidable. The overhead is giving all companies much concern. However, in comparison with other forms of retailing the fire business can probably show as good a record as any other. After all, fire insurance is a retail business and in considering expenses that fact must be kept in mind. There have been cuts made in all directions and many economies effected. A sincere effort has been made to reduce expenses.

This year the expense and loss ratios might well trade places. The expense ratio is a major problem in all offices.

Weak Spots Strengthened

The weak spots in the fire insurance field so far as companies are concerned have been pretty well bolstered. The companies that remain are in excellent shape and can be relied upon. The fire insurance business is emerging from the depression in a more satisfactory way than any other line of insurance. It has taken its punishment courageously. Investments naturally have been greatly affected and there are numerous defaults. Most companies are getting down to an actual value basis at least so far as their own accounts are concerned. In next year's annual statements almost all companies will show a contingency reserve which will put the net surplus on the basis of market values as of Dec. 31, 1933. Financial officers are discriminating in their investments. The radical changes of the day force us all to be on the alert in the investment field. No one can predict what is going to happen even a month from now. Therefore, conservative investors are keeping pretty close to shore. Their companies have maintained a comfortable cash balance and their first line of reserve is exceedingly liquid. Securities will show an advance in the general run over a year ago.

Fire People to Be Congratulated

Altogether, in view of catastrophic conditions and drastic changes, political experimentation and the efforts of the government to improve social and economic conditions, the fire insurance people can be congratulated on what they have accomplished. All realize that until the great agricultural sections see a brighter day there will not be much improvement. If the farmers could get a few good "breaks" there would be a much better chance for economic recovery.

The casualty and surety companies are still in a state of turmoil. They have confronting them tremendously important and vital problems which are not yet solved. The fire companies having casualty and surety affiliates realize that they offer baffling and most perplexing questions. But these are receiving most intelligent treatment.

Expect G. & R. to Be Cleared Soon

New York Department Soon May Lift Rehabilitationship in Force Nine Months

REENTRANCE IS PREDICTED

Plan Worked Out Whereunder Creditors Will Get Part of Their Claims in Cash

NEW YORK, Dec. 20.—As the result of financial aid to the extent of $3,500,000 pledged by the Reconstruction Finance Corporation, and the completion of plans for support by important financial and general business organizations, it is now regarded as fairly certain that the Globe & Rutgers will shortly be relieved of rehabilitationship by the New York department to which it has been subjected for the past nine months, and again launched upon an active field career.

Under the arrangement worked out creditors will receive a substantial percentage of their claims in cash, at an early date, and a pledge for the balance within a reasonable period. Small claims will be settled in full, at once. Under the reorganization program the services of a chief executive of national reputation will be sought, and assurance given that the future policy of the G. & R. will be along strictly ethical lines.

Lifting Rehabilitation

The procedure that will be followed in order to lift the rehabilitation order is thus set forth in the law:

"The superintendent of insurance or any interested person, upon due notice to the superintendent at any time, may apply for an order terminating these proceedings and permitting such insurer to resume possession of its property and the conduct of its business, but no such order shall be granted except when after a full hearing a court shall determine that the purposes of the proceedings have been fully accomplished."

The Tri-Continental Corporation, large holding and investing company, owns a substantial interest in the Globe & Rutgers. It acquired its holdings from large shareholders of the company.

There has been no announcement as to whether the R. F. C., in lending $3,500,000 for the purchase of first preferred stock would offset this against part of the $10,000,000 indebted-

(CONTINUED ON PAGE 33)

Market Values Demanded by Wisconsin, South Dakota

MAY AMORTIZE THE BONDS

Basis of Valuations for 1933 Annual Statements in Canada Announced by Finlayson

The Wisconsin department has notified companies that all securities, not eligible for amortization under the Wisconsin law, must be valued at market Dec. 31, 1933, in the annual statement. Last year Wisconsin required fire and casualty companies to value all securities, including bonds, at the year end market quotation. A law was passed in that state in 1933, however, permitting any company to amortize bonds amply secured and not in default as to principal and interest.

Commissioner Mortensen of Wisconsin states if any company prefers to submit its statement showing valuation as of a date prior to Dec. 31, this will be accepted only when accompanied with a supplemental report on the "Wisconsin statutory plan."

South Dakota Ukase

Commissioner Dawson of South Dakota has also made demand that stocks be valued at market Dec. 31. Bonds, eligible for such treatment, may be amortized. Mr. Dawson states that no portion of the excess of book value over market or amortized value shall be included as a liability item, but shall properly be deducted as a non-admitted asset.

Texas has informed the companies that the new convention formula will be acceptable.

Commissioner Dunham of Connecticut informed companies the new convention formula is acceptable to him. He directs that security fluctuation reserves be set up.

Superintendent Finlayson of Canada has announced the basis of valuation of securities for companies operating under control of the Dominion department. Certain other companies are under provincial jurisdiction and announcement has not been made regarding the basis for these.

Bonds Not in Default

The authorized values as at Dec. 31, 1932, may be used for bonds held on Dec. 31, 1932, and not since disposed of and not in default or intrinsically depreciated since that date.

The purchase price with any adjustment thereof through the interest account up to Dec. 31, 1932, is the basis for valuing bonds acquired since Dec. 31, 1932, and not in default or intrinsically depreciated since the time of purchase.

Bonds other than these must be valued at Dec. 31, 1933, prices or at a date not more than 60 days before Dec. 31, 1933.

The values authorized for use Dec. 31, 1932, may be used for preferred and common stocks which were held on Dec. 31, 1932, and not since disposed of and not obviously intrinsically depreciated since then.

The purchase price must be used for stocks acquired since Dec. 31, 1932, and not depreciated.

Stocks other than these must be valued at market Dec. 31, 1933, or at a date not more than 60 days before then.

The department will accept market values on securities, but suggests that if this is done, the investment schedules show the values as authorized and that the adjustment to a market value basis be made by way of an investment reserve.

Wilkes-Barre Agent Dies

E. A. Innes, vice-president of the prominent Wilkes-Barre, Pa., general agency of Thompson, Derr & Brother, died at his home Dec. 18.

Recognition Is Given to Western Hanover Officer



JOHN RYGEL

President C. W. Higley of the Hanover Fire and Fulton announces this week that Superintendent of Agents John Rygel of the western department at Chicago is being given the title of assistant general agent in recognition of his highly effective work and splendid record. W. K. Maxwell is the senior assistant general agent, who with President Higley felt that some substantial recognition should be given to Mr. Rygel. Mr. Maxwell is one of the tried and true Hanover Fire executives who has the confidence of all associated with him.

Long Association With Hanover

Mr. Rygel has been connected with the western department of his company for 23 years. He began his insurance career in the western department of the North British & Mercantile at Chicago starting in the underwriting department and then being shifted over to the accounting end. Shortly thereafter he spent a season with the Western Factory but connected with the Hanover in September, 1910. He was one of the leading men in its accounting division. President Higley saw, however, that he had administrative ability and therefore appointed him Illinois special agent in 1914, being assistant to W. K. Maxwell, who was then state agent. He soon won his spurs and in 1916 was appointed Ohio state agent. In Ohio he became one of the particularly bright stars in the Buckeye field.

Recalled to Department Office

In January, 1927, he was recalled to the Chicago office as superintendent of agents. He has demonstrated resourcefulness, courage, administrative ability. Mr. Rygel is one of the young men that President Higley has brought into his organization, given responsibility and allowed to grow. Mr. Higley's policy has been to select the right type of men and then give them every opportunity to develop. He thus has built a strong organization because he has not hesitated to throw responsibility on those about him.

New Membership Plans for Eastern Zone Considered

NELSON'S COMMITTEE ACTIVE

National Association of Insurance Agents Intends to Stimulate Interest in the Movement

NEW YORK, Dec. 20.—Plans for inaugurating an intensive drive for membership in the National Association of Insurance Agents were considered at a gathering of the central committee here. In addition to H. B. Nelson, of Jersey City, chairman of the national committee and in immediate charge of the regional body, attendants at the conference were: W. M. Gildersleeve, president New York association, and J. W. Rose of Buffalo, chairman state committee; C. E. Meek, chairman New Jersey committee; J. P. Laselle, president; F. D. Moses, manager; Paul Ancona, chairman; Kenneth H. Bair and H. M. Albert of the Pennsylvania association. The National association was represented by Assistant Secretary G. W. Scott. While Delaware and Maryland are embraced within the territory for which Mr. Nelson holds himself particularly responsible, neither state sent delegates to the gathering.

The Liberty Fire of Louisville, doing a local agency business chiefly, has reduced its capital from $500,000 to $250,000.

North British Is Creating New Division in the West

SUPERVISION TO BE DIVIDED

Secretary R. L. Mouk Will Have Charge of Central Department and J. L. Mylod of Western Department

NEW YORK, Dec. 20.—The North British & Mercantile fleet is creating a new division at its headquarters office here, effective Jan. 1. Secretary R. L. Mouk, now charged with the supervision of 16 important premium producing states, will be relieved of part of the burden, and the administration will be enabled to be of greater service to its steadily increasing agency force. Under the new arrangement Mr. Mouk will be in charge of what is to be known as the central department, with jurisdiction over Indiana, Kentucky, Michigan, Ohio, Tennessee and Wisconsin, while operations of the group in the western department, which will hereafter include Arkansas, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota will be under the management of Secretary J. L. Mylod.

In the creation of a separate department for the central group of states the management is reverting to a policy previously followed for a number of years prior to 1922.

Mr. Mouk's connection with the North British organization began in 1927 with his appointment as Ohio state agent for the Commonwealth, one of the group companies. In 1926 he was called to the head office as superintendent of agents in the central department of the fleet, being advanced to associate manager of the combined central and western divisions 12 months later. Upon the retirement of F. A. Gantert to become vice-president of the Fidelity & Guaranty Fire of Baltimore in 1929, Mr. Mouk was given the sole management of the extensive department and named secretary of the companies in the group.

Mr. Mylod began as a youngster with the North British 18 years ago, some years later being sent to Chicago to develop the automobile business of the group in that territory. In 1927 he was recalled to the headquarters here as manager of the automobile branch. Having proved his ability for larger things, Manager Shallcross has now selected him to handle the western department for the fire lines.

THE WEEK IN INSURANCE

Fire insurance business has a more roseate hue than it did a year ago. **Page 3**

* * *

With pledge of aid from R. F. C., **Globe & Rutgers** is preparing to have rehabilitationship lifted and to reenter the field. **Page 3**

* * *

Stock automobile premiums slump 20 percent this year, but prospect for 1934 is better. **Page 3**

* * *

North British & Mercantile group creates new department, dividing supervision of western territory. **Page 4**

* * *

The **Inland Marine Underwriters Association** situation is becoming increasingly tense as the Home of New York gives no indication of withdrawing its intention to resign. **Page 6**

* * *

Dunham and Huebner speak at **Connecticut Insurance Day.** **Page 5**

* * *

F. P. Hamilton resigns as president of the Queen and assistant U. S. manager of Royal-Liverpool group. **Page 8**

* * *

John Rygel of Chicago, superintendent of agents in the western department of the Hanover and Fulton, has been made assistant western general agent. **Page 4**

* * *

Eleven months' fire losses show a marked decrease as compared with the record of last year. **Page 10**

Wisconsin and South Dakota jump the traces by demanding market value quotations in 1933 statements. Canadian valuation system is announced. **Page 4**

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Membership committee of the National Association of Insurance Agents plans greatly to increase the roll. **Page 4**

* * *

O. F. Wallin, who has been one of the managerial firms of the United States office of the Eagle Star & British Dominions and the Lincoln Fire, has resigned. **Page 11**

* * *

Commercial Casualty and Metropolitan Casualty announce the discontinuance of **compensation and employers' liability.** **Page 29**

* * *

Conservative companies, both casualty and surety, generally coming through hard times in best condition. **Page 29**

* * *

Executive committee of **Health & Accident Underwriters Conference** fixes date for annual meeting, discusses current problems of business. **Page 29**

* * *

Ballard McCall becomes secretary of the National Surety. **Page 30**

* * *

James E. Powell tells how "new deal" affects accident and health insurance. **Page 30**

* * *

Montana commissioner takes steps to halt banks in his state from patronizing **London Lloyds.** **Page 31**

BULLETIN

NEW YORK, Dec. 20.—There was a general meeting of the representatives of fire, casualty and marine companies today, they being the executives that constitute the general committees appointed to formulate machinery within the business for attaining the objectives desired by the National Association of Insurance Agents. At a previous meeting of the general committee three sub-committees were appointed, one to take up everything pertaining to rates, one to acquisition cost and one to other miscellaneous subjects. The meeting today was presided over by President R. M. Bissell of the Hartford Fire. The gathering was well attended and Mr. Bissell was authorized to call a further meeting at such time as seemed desirable. The sub-committees all presented reports advising of such progress as had been made. The conference adopted the following resolution:

"Resolved, that the committees be requested to continue their efforts to the end that more cooperation between the fire, marine and casualty companies be secured for the general good of purchasers and insurers."

Connecticut Day Is Great Success

Dunham Makes Plea for Fewer But Better Trained Agents

OVER 400 ARE PRESENT

Huebner Sees Business on Upgrade—Predicts Change in Fire Company Investment Policies

By RALPH E. RICHMAN

In spite of its old fashioned New England snow storm prelude, Connecticut Insurance Day was a great success, with 400 officials and agents in attendance. The meeting was held in the assembly hall of the Aetna Life in Hartford. Chairman George E. Turner, president of the First Reinsurance, opened the session.

Too Much Competition Ruinous

It used to be said with justification, declared Commissioner H. P. Dunham of Connecticut, that competition is the life of trade. But too much competition is ruinous and common sense dictates that the best way to eliminate many insurance evils is to reduce the number of agents and improve their quality. The problem of fewer and better agents is up to the companies, because the state insurance department can only pass on the fitness of applicants for licenses and cannot restrict their number. Connecticut has 7,000 insurance agents, compared with less than 2,000 doctors and lawyers and 1,000 dentists. When a business becomes overcrowded, Mr. Dunham said, severe competition is created and abuses and sharp practices are inevitable.

The conscientious agent, said Commissioner Dunham, has a right to demand that he be protected against an influx of agents. The conscientious agent does not consider that his responsibility towards his client and his company ends with the delivery of the policy. He gives much time to service and when the companies pour more agents into his territory he must fight not only for new business but to hold his old business and finds it difficult to find time to render adequate service.

Low Average Income

At the height of prosperity, said Mr. Dunham, it was estimated that the average annual income of an insurance agent was about $1,100. With the number of agents possibly larger, the average income is even smaller today, considering the sharp drop in premium income of the companies.

Commissioner Dunham said he is confident that the companies will reduce the number of agents in the future. Already there is a weeding out process going on in many companies and agents who have been turning in unprofitable business are being cast adrift.

Restriction against the organization of new companies was also urged by Commissioner Dunham. Efforts to organize more insurance companies than the public needs should be discouraged by the various state authorities, just as supervising officials prevent the opening of banks, by refusing charters to promoters seeking to start banks in communities that are already well served.

There are many beneficial effects, both to agents and companies, from fair and reasonable competition, said Commissioner Dunham. It promotes the efficient agent, it promotes the lowest net

(CONTINUED ON PAGE 27)

Congressional Action on Cotton Insurance Sought

BIRMINGHAM, Dec. 20.—The Birmingham Association of Insurance Agents has dispatched telegrams to the Alabama delegation in congress calling for whatever action is necessary in order to preserve to local agents in the cotton belt the insurance now being written on cotton on which the Commodity Credit Corporation is making loans. Agents are aroused over the placing by the CCC of all this business with three brokers.

G. L. Radcliffe, first vice-president of the Fidelity & Deposit, has interceded with President Roosevelt in behalf of the proposal of the National Association of Insurance Agents to have one of their number designated broker for the insurance on cotton on which loans subject to discount at the Commodity Credit Corporation are made. The agents' plan previously had been turned down and three brokerage firms had been designated. Mr. Radcliffe told the president that the placing of this account with an independent broker would result in serious injury to southern agents. The agents' proposal was that W. Eugene Harrington of Atlanta should be appointed broker and distribute the business. Mr. Radcliffe is a personal friend of President Roosevelt and served as chairman of the Maryland Democratic committee during the presidential campaign.

New Whisky Warehouse Plan

LOUISVILLE, Dec. 20.—A new schedule for rating whisky warehouses, including barreling houses and cistern rooms, for use in Western Union territory, has become effective in Kentucky and probably will be extended to other states in the territory, and perhaps also to the east. It is in the form of a seven page pamphlet. The outstanding feature is the fact that large warehouses will be penalized. Minimum or basis rates apply to warehouses of less than 20,000 barrels capacity; from 20,000 to 30,000 the rate is 5 cents higher; to 40,000 barrels 10 cents higher; to 50,000 barrels 15 cents added; and more than 50,000 barrels capacity, the rate is 20 cents per $100 of value.

J. H. Bartholomew, Ansonia, Conn., local agent, has been elected president of the Ansonia chamber of commerce.

Fire Insurance Weathered Depression in Strong Shape

SAN FRANCISCO, Dec. 20.—"Although threatened by successive waves of fear and mistrust during a voyage of 45 months on the turbulent sea of pessimism and depression, stock fire insurance companies, have, since July of this year, started on their way to greater confidence, security and stability," says T. F. Ryan, assistant secretary Fireman's Fund, in a review of the fire insurance business throughout the depression. While the tempest claimed more than 100 companies, the salvage was great and the loss to policyholders negligible, since the majority of the weaklings were merged or reinsured.

Mr. Ryan stresses the fact that most of the casualties were among immature organizations managed by speculators and organized during boom times and that nearly all of these lacked the guiding hand of soundly trained navigators. "The profession of underwriting and insurance management," he says, "requires intensive study and years of training, and seasoned men are not usually available for speculative enterprise."

Great Depreciation

Using 300 stock fire companies as a basis of calculation, it is pointed out that these companies have suffered through depreciation of security values alone a loss in excess of $800,000,000 and "this through no fault of their own. As investors, the well managed insurance companies rank among the conservatives. This is testified to by the fact that in the face of the general collapse the last three and one-half years, earnings on their investments totalled $350,000,000. The familiar terms 'long' and 'short' are practically unknown in the business, and insurance companies' investments are invariably selected because of 'safety' first and 'yield' second. Pool operations are practically never indulged in, and controlling interests are rarely held."

Referring to the necessity for adjustments, Mr. Ryan says: "Nothing is more difficult than adjusting a business downward. With falling property and commodity values, and a diminishing average insurance rate which fell progressively from .92 in 1928 to .79 in 1932, premium income has naturally decreased. In 1930, the premium income of stock insurance companies was 9.84 percent lower than in the previous year, although loss payments were 8.6 percent higher than in 1929. In 1931 the premium income was 12.57 percent lower with loss payments only 9.67 percent lower than 1930. The last year's premium income was 14.9 percent lower, with loss payments only 10.77 percent lower than 1931."

Over all, in the years 1930, 1931 and 1932, disbursements exceeded income by the enormous sum of $179,700,000, says Mr. Ryan, but although these companies had sustained the tremendous loss of $800,000,000 in security values, they nevertheless suffered a decrease in policyholders' surplus of only $543,600,000.

Important to Nation

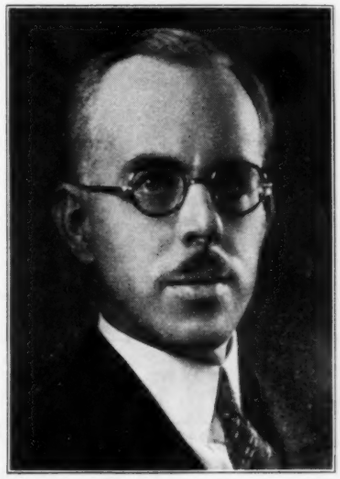
The importance of the fire insurance business to the nation is visualized by Mr. Ryan through loss payments which, during the three and one-half years of the depression totalled more than $1,500,000,000 paid out by 300 companies with additional payments by many other companies whose figures are not included. "It is interesting," he says, "to contemplate the power of $1,500,000,000 sent throughout the length and breadth of the land to rebuild and restore." Another $1,216,000,000, he says, was paid for expenses during the same period; with taxes to the total of $180,000,000 being paid by these companies, only about 4 percent of which was spent for insurance regulation, the balance going into general state funds. In addition, $215,000,000 was distributed to stockholders, making a grand total of $3,111,000,000 distributed during the depression. "It must not be forgotten," he says, "that all of this was accomplished in the face of highly competitive conditions."

Far from 5 Percent

Regarding underwriting profit, Mr. Ryan says: "Some years ago insurance commissioners in national convention agreed that a legitimate underwriting profit should be 5 percent in order to provide reserves for conflagrations and depression periods. However, if any group of insurance companies should join together and make such a profit there would immediately spring up just as many more who would be satisfied with a smaller profit, since there is nothing to prevent the organization of properly financed insurance companies. This competitive drive for business has forced insurance to the very lowest rates, enough to leave only a small margin of profits for well managed institutions, and a loss for the other.

"Actual experience, however, has proven that over a period of 25 years (1909 to 1932 inclusive) after writing a total of $11,681,107,179 of earned premiums, the companies made an underwriting profit of only $89,861,042—a trifle over .75 percent."

Divide Mid-Western Field



R. L. MOUK



JOHN L. MYLOD

In a reorganization of head office responsibility for the western territory by the North British & Mercantile R. L. Mouk is in charge of the newly designated central department and John L. Mylod of what is now called the western department.

One October R. F. C. Loan

WASHINGTON, Dec. 20.—Only one insurance loan, $300,000 to the Consolidated Indemnity, New York, was authorized by the Reconstruction Finance Corporation in October, it is shown by the monthly report filed with Congress. In that month $22,000 authorized to the Agricultural Life, Bay City, Mich., and $4,137 authorized to the Stuyvesant, New York, were withdrawn or cancelled. Repayments by insurance companies in October aggregated $530,751.

At the close of the month, the report disclosed, insurance loans outstanding totaled $67,596,097.

Parlett & Hindes, 415 Hearst Tower building, Baltimore, has been incorporated by H. C. Hindes, F. G. Parlett and E. G. West.

Rules, Forms Published for Insuring CCC Corn

THREE PLANS ARE SENT OUT

Much the Same Principle Is Involved as in the Case of CCC Cotton Coverage

Rates and forms have been promulgated by the Western Actuarial Bureau for the insuring of the loan interest of banks and others making loans on corn eligible for discount with the Commodity Credit Corporation. The forms have been prepared in contemplation of the same principle followed in insuring the loan interest of banks and other lending agencies on cotton under special cotton form 10-D.

The loans are for a short term, expiring in seven months. The insurance may be written in favor of any bank, cooperative marketing association or other corporation, partnership or person lending money to producers, upon Commodity Credit Corporation corn form covering the loan interest, plus carrying charges of the lending agency, the receipts for which are held by the lending agency as collateral.

Three Forms Published

There are three corn forms. One is more or less of a state floater form, covering corn located on farms. This is known as special corn form No. 1. On this form the 100 percent coinsurance clause must be used and there is no credit for use of the coinsurance clause. The rate is 10 cents for each $100 of insurance for each month or fractional part of a month for fire and lightning coverage. The rate is 5 cents for tornado and hail coverage.

The second form is to cover corn lo-

(CONTINUED ON PAGE 27)

Indiana Agent Submits Code to Gen. Johnson

C. A. Carlisle, Jr., of South Bend, Ind., has sent to Gen. Hugh Johnson a proposed insurance code. Under the Carlisle code companies would be prohibited from accepting business from a community except through an established agency there. All companies should be required to file a financial statement on the market basis every six months.

Companies should be required to reduce their number of agencies in a community to a reasonable basis and should be required to collect balances in 60 days. Agents should be required to collect accounts within 45 days and should be permitted to represent only one class of carrier, that is stock, mutual or reciprocal. Agents should be required to spend at least 60 percent of their time in the insurance business.

Banks or trust companies, building and loan associations, etc., should not be permitted to coerce insurance.

Use CWA to Reduce Hazards

NEW YORK, Dec. 20.—In a communication to mayors of all cities of 20,000 or more population, W. E. Mallalieu, general manager National Board, suggests that federal funds available through the Civil Works Administration be used to employ men to reduce municipal fire hazards, for thorough inspection of individual risks and improving fire fighting and water supply facilities. This would mean the hiring of a large number of people now unemployed, while the cost for material essential to carrying out the suggested projects would be moderate in comparison with the money spent for labor.

L. M. Chenoff has opened a new agency in the Commercial Trust Co. building, New Britain, Conn.

I. M. U. A. Situation Tense as the Home Holds Firm

REACHING CRITICAL POINT

If Big New York Company Carries Through Intention to Resign, Others Will Follow

As time goes on and the Home of New York does not withdraw its notice of intention to resign from the Inland Marine Underwriters Association, the impression is gaining that the organization is facing its greatest crisis. The Home gave notice on Nov. 15 and unless withdrawn, the resignation becomes effective 60 days thereafter. Previously, when notices of resignation have been given, the controversy has been patched up in rather short order. The report is now that the Home is giving no indication of retreating from its position and the association is presumed to be holding firm.

If the Home does withdraw, the likelihood is that a number of other companies will step out at the same time. The constitution and by-laws of the I. M. U. A. provide that after one company has given notice of intention to resign, other companies may retire on shorter notice. The leading companies in the marine field would not be willing to stay in the organization, with their hands tied, if such an important organization as the Home were outside. If this should develop, an uncontrolled inland marine market would be precipitated.

Problem Is Difficult

The I. M. U. A. has sailed a difficult course. Some critics contend that the organization attempted to accomplish too much in too short a time. On the other hand, influential members took the position that the I. M. U. A. was not covering enough territory. Then there are those that complain that a multiplicity of inconsequential but bothersome rules have been promulgated.

Some marine people would not regret to see a general breakdown of the I. M. U. A., but there are powerful interests, which will put forth a supreme effort to keep it alive, feeling that to revert to the old, unorganized procedure, after having made an attempt to initiate a system of control, would be more demoralizing than if no such attempt had ever been made.

Wants U. S. to Curb Mail Order Insurance Selling

OLYMPIA, WASH., Dec. 20.—Action by the postal authorities to curb soliciting insurance through the mails in Washington is recommended by Commissioner Sullivan, as a result of the inability of a number of policyholders to collect from out-of-state companies. He points out that Washington residents buying by mail have no power to institute suits here against unlicensed companies.

Herman L. Ekern Honored

Herman L. Ekern of Chicago, former commissioner of Wisconsin and later attorney general of the state, has been elected a director of the Foreign Bondholders Council, an organization formed at the suggestion of President Roosevelt to render aid to American investors in foreign government bonds.

H. E. Teachout, G. T. Sanborn and **W. C. Hatfield** have opened a new agency at 307 Teachout building, Des Moines.

SERVING the direct-writing fire insurance companies today with the best facilities of modern times backed up by financial security.

INTER-OCEAN REINSURANCE COMPANY

HOME OFFICE
Cedar Rapids, Iowa

EASTERN FACULTATIVE DEPARTMENT
123 William Street, New York

A CHRISTMAS MESSAGE

CHRISTMAS, the season of Good-Will and Fellowship, opens the way for "The Home of New York" to express once more its appreciation for the interest and cooperation of its loyal agents in making it possible to close another year successfully.

Now--with the New Year about to make its entrance, all good wishes are extended to you personally and officially for the entire year of 1934.

PRESIDENT

THE HOME INSURANCE COMPANY NEW YORK

J. C. Evans, Secretary Home of New York, Has Resigned

NEW YORK, Dec. 20.—J. C. Evans, secretary of the Home and in direct charge of its southern business, resigned as of Dec. 18. He is expected to announce a connection with the Great American within the next few days.

His service with the Home began in 1914 when he was appointed a special agent in Texas under State Agent D. D. McLarry, so serving until 1295, when he was called to the head office of the company as chief assistant to H. G. Foard, manager of the southern department. On the death of the latter three years ago, Mr. Evans was named his successor. He is especially well versed as to Texas affairs and served as secretary of the Texas Conference for several years.

W. E. Hill's Mother Dies

W. E. Hill, assistant general manager of the Fire Companies Adjustment Bureau, is bereaved by the death of his mother, Mrs. William Hill, at the home of her son in Cranford, N. J., Tuesday.

New Board at Ft. Wayne Has M. J. Blitz President

M. J. Blitz has been elected president of the newly organized Ft. Wayne, Ind., Insurance Board. Richard Waterfield is vice-president and J. P. Coligan is secretary and treasurer. The executive committee consists of Leo O'Brien, Frank Lahmeyer, G. W. Fishering, Merlin Wilson and C. R. Hicks.

There was a noon day luncheon held Monday at which were present the officers and members of the executive and membership committees. Ralph Stogdill, O. Spaid, Gerald Zent, Dallas Waterfield, James Wilson and H. N. Beitz constitute the membership committee.

Lehman Backs Van Schaick

What is generally interpreted as an answer to the demand of Max D. Steuer, prominent New York City lawyer, for the removal from office of Superintendent Van Schaick, because of his method of handling the affairs of mortgage companies taken over by his department for rehabilitation, is the letter of Governor Lehman to Mr. Van Schaick, in which he fully approves the methods of the superintendent, declaring in part, "I have full faith in your unswerving devotion to duty," a sentiment in which insurance men fully concur.

Absorbs New Orleans Office

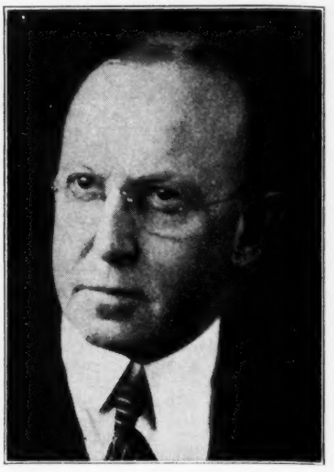
Under a newly effected arrangement the Fire Companies Adjustment Bureau Jan. 1 will take over the New Orleans Adjustment Company, which maintains branch offices in Shreveport, Baton Rouge, Monroe and Alexandria. It likewise will take over 11 adjusters connected with the firm, including J. F. Miazza, general manager.

M. L. Bush Dixie Special

Mark L. Bush, son of Harry R. Bush, president of the Dixie Fire, one of the American of Newark group, has been appointed special agent in West Virginia for the Dixie. For the present his office will be in the Virginian Land Bank building, Charleston.

He has had both home office and field experience, having served the Niagara Fire for six years and the Security of New Haven for three years.

F. P. Hamilton, President of Queen, Resigns Post



F. P. HAMILTON

NEW YORK, Dec. 20.—F. P. Hamilton, president of the Queen and assistant United States manager of the Royal and the Liverpool & London & Globe, has resigned because of ill health, effective Dec. 31. United States Manager Harold Warner of the Royal-Liverpool groups, of which the Queen is a member, was elected president of the Queen. Mr. Hamilton relinquishes his official positions with other companies of the group.

Mr. Hamilton began his insurance career with the Mechanics of Brooklyn, going from there to the Commercial Union. He later became associated with the New York Underwriters Agency as superintendent of the eastern department, and thereafter entered the service of the Manchester and American of New York as general agent and assistant secretary respectively.

Joined Queen in 1904

In 1904 he joined the Queen at its head office in New York, being appointed general agent Jan. 1, 1905. Subsequently he was elected secretary and still later vice-president and in 1922 was appointed western manager at Chicago, where he established for himself a reputation as one of the keenest underwriters in that section of the country. He remained in the western department until recalled to New York Aug. 1, 1929, as president of the company. In 1931 he was appointed asistant United States manager of the Royal-Liverpool groups.

In regretfully accepting Mr. Hamilton's resignation, the directors expressed their appreciation of his able and enthusiastic service and the time and thought he has devoted to the promotion of the company's interests. His many friends wish him a speedy return to health and many years in which to enjoy his relief from business cares.

Discuss Farm Inspection Plan

SAN FRANCISCO, Dec. 20.—Plans for formation of a proposed farm inspection department of the Pacific Board were discussed with representatives of the California Association of Insurance Agents in a joint meeting of farm committees of the two organizations here. The estimated expense of department is between $100,000 and $150,000, or approximately 10 percent, which it is suggested would be taken care of through 5 percent reduction in agents' commission, the board assuming the other half of expense.

The **Mineola Underwriters Corporation**, Mineola, N. Y., has been incorporated by C. J. Pearson, Dorothy C. Ellis and L. L. Homowitz, Hempstead.



Camden Fire Hangs Up Its 93rd Christmas Stocking

When a really cheerful Christmas rolls around and a difficult year ends well, there's a healthy urge to give—and a hope that others will have gifts for you.

The Camden Fire Insurance Association can afford to be generous at its ninety-third Christmas. To every one of its 3500 agents it sends these practical gifts:

A staunch policy holders' reserve that amounts to over one third of its assets.

A line of fire, automobile and inland policies with no prohibited list, but with consideration of each risk as it is offered to us.

Advertising assistance that is direct, interest arresting, and personal.

Executive thought and attention on anything desired by an agent.

Those are the gifts we think hard-working insurance men want most. In return, we're hanging up our own stocking, and we hope to get a few of these coupons from agents who have watched our standards and approve of us. Do we deserve one from you?

CAMDEN FIRE INSURANCE ASSOCIATION
CAMDEN, N. J.

Gentlemen:

From what I've seen, I like the conservative vigor of the Camden Fire. Please write frankly about what you have to offer me on the following subjects: Policies written Financial position Advertising helps.

Name _____

Address _____

City _____

A·D·1841

N-12

A LITTLE BIRD TOLD US!

A LITTLE bird told us that 1934 should be a better year for insurance and its producers. Insurance has proven its stability, and has discharged its duties and obligations to policyholders. Its form of organization enabled it to do that, even in a period of stress. Insurance buyers have learned all this.

As a result they have more confidence in stock fire insurance than ever before. It is true that many are making careful inquiry about companies. But producers are thus given a chance to explain why confidence in stock fire insurance is justified.

Another opportunity is afforded—that of establishing a relationship with assured which makes the producer an insurance doctor. Then the latter is able to make a complete analysis of an insurance problem, place his finger on the weak spots, then explain and sell the protection that is necessary.

Face 1934 with a confidence that is not blind optimism, and with a quota, as we suggested in a recent advertisement. If you represent companies in this group, face the new year also with the assurance that we have always recognized the importance of producers in the insurance picture and seek constantly to aid them in their problems of production and service to assured.

NRA MEMBER U.S. WE DO OUR PART

AMERICAN EQUITABLE ASSURANCE COMPANY OF NEW YORK
Capital, $1,000,000.00 Organized 1918

GLOBE & REPUBLIC INSURANCE COMPANY OF AMERICA
Philadelphia, Pa. (Established 1862)
Capital, $1,000,000.00

IMPORTERS & EXPORTERS INSURANCE COMPANY OF NEW YORK
Capital, $1,000,000.00

KNICKERBOCKER INSURANCE COMPANY OF NEW YORK
Capital, $1,000,000.00 Organized 1913

MERCHANTS AND MANUFACTURERS FIRE INSURANCE COMPANY
Newark, N. J. (Chartered 1849)
Capital, $1,000,000.00

NEW YORK FIRE INSURANCE COMPANY
(Incorporated 1832) Capital, $1,000,000.00

CORROON & REYNOLDS

Incorporated

INSURANCE UNDERWRITERS
Manager

92 William Street New York, N. Y.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

AGENTS MAY FILE A CODE

Pressure on the officers and executive committee of the National Association of Insurance Agents is becoming greater in the insistence that a code be filed for insurance producers at Washington. The committees appointed by the companies to discuss some plan whereby controversies could be discussed with the agents have not yet been able to reach an agreement and have not come to a point where they feel justified in calling a general meeting of the entire committee. Evidently the agents are champing at the bit and are getting more and more restless. The company committees find that the difficulties confronting them in reaching a harmonious agreement are greater than anticipated. So far as can be ascertained, the National Association of Insurance Agents is willing to give the company committees reasonable time but if the outlook for reaching an agreement seems dubious, a code will be filed.

Anticipating that a more comprehensive insurance code may be submitted, A. V. Gruhn, manager of the American Mutual Alliance, has sent a questionnaire to members, asking how many persons are employed, whether wages have remained stationary, increased or decreased, whether business is limited to any one class, amount of assets and surplus.

Then Mr. Gruhn asks for information as to unfair competition, whether members have had difficulty as to cut rates, misclassification resulting in cut rates, misrepresentation of financial stability, misrepresentation of extent of assessment liability, accusation that the mutuals are communistic, charges that mutuals have failed consistently, intimations that mutuals are not well managed or have incompetent executives, pleas that the stock agent should be allowed to collect his commission and thus keep the money at home, threats of boycott.

* * *

OFFICERS OF BROKERS ASSOCIATION

As officers of the General Brokers Association to serve during the new year, the following were elected at the annual meeting: President, Paul Simon; vice-presidents: G. F. Sullivan, S. N. Schwartz, W. J. McLaren, H. Breddman and J. Margolias; secretary, Leonard Jacobs; assistant secretary, P. E. Kramer; treasurer, A. Prusoff; executive committee; E. Greenbaum, J. A. Donohue, J. Wank, S. Goldman, J. F. Nubel and L. Escher.

* * *

IMPROVEMENT IS SHOWN

The central bureau has reported to the New York department that unpaid earned premiums on fire and casualty lines were lower in July of this year than in the corresponding month of 1932. Unpaid earned fire premiums amounted to $48,567, which was a decrease of $654 from July, 1932. There were 10,367 entries in July of this year, decrease 881.

Entries reported by casualty companies amounted to 6,965, decrease 453, and unpaid earned casualty premiums were $139,421, decrease $29,369.

Total payments made following the filing of reports are fire, $282,385, casualty $1,639,464.

* * *

ELEVEN MONTHS' FIRE LOSSES

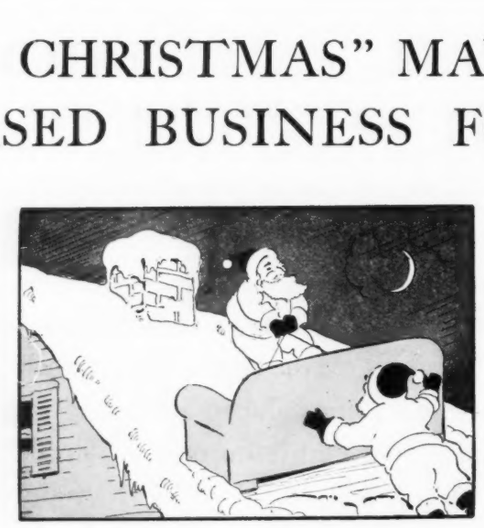
While greater by 4.66 percent than the record for October, the fire losses for the past month were 27.95 percent less than for November, 1932, the tabulation of the National Board showing an aggregate loss of $22,454,200 for last month, compared with $31,167,708 for the same period of 1932. The addition of the November figures swells to $289,271,912 the loss record for the past 11 months, as against $402,952,805 reported for the same period of 1392.

The monthly loss record for each of the first 11 months of 1931, 1932 and 1933 is as here given:

	1931	1932	1933
Jan.	$44,090,449	$39,224,783	$35,547,565
Feb.	41,776,051	39,824,622	36,661,481
Mar.	44,074,362	49,189,124	35,321,248
April	41,423,764	43,822,233	27,825,970
May	37,835,273	39,270,524	24,338,714
June	33,368,378	34,338,670	21,578,609
July	33,024,594	32,982,434	20,004,049
Aug.	31,917,630	31,425,931	23,626,505
Sept.	33,202,986	30,972,318	20,447,571
Oct.	35,501,530	30,734,458	21,465,382
Nov.	35,287,641	31,167,708	22,454,200
11 mos.	$411,502,658	$402,952,805	$290,271,294

According to the New York "Journal of Commerce" there were 231 fires in November in the United States and Canada, each of which caused damage of $10,000 or more, the aggregate being $10,401,000. The most important ones were North Tiverton, R. I., oil plant, $700,000; Oakland, Cal., lacquer plant, $250,000; Boston, wharf, $150,000; Laguna Beach, Cal., rum runner, $100,000; Montreal, business building, $200,000; Brooklyn, N. Y., rope plant, $100,000; Canton, O., business block, $75,000; Bloomington, Ind., business building, $100,000; Brooklyn, furniture factory, $75,000; Memphis, store, $75,000; Richmond, Va., lumber plant, $200,000; Merritton, Ont., paper mill, $100,000; Atlanta, Ga., dwelling, $200,000; Warrenton, Va., dwelling, $75,000; Middleport, O., bakery, dwellings, etc., $100,000; Statesville, N. C., textile plant, $100,000; Marshalltown, Ia., lumber plant, $125,000; Dublin, Ga., cotton warehouse,

"MERRY CHRISTMAS" MAY MEAN INCREASED BUSINESS FOR YOU



NEW CHAIRS, TABLES, RADIOS SHOULD BE INSURED PROMPTLY

Every year during the late fall season, magazines and newspapers carry enticing advertisements as to why the children should give Dad a new easy chair—why Tommy deserves a new desk or Dorothy a new dressing table—a refrigerator for Mother—a radio for the whole family.

Look in your own favorite publication, and you will find many such announcements. Then consider this:

This year there are two good reasons why people will heed the advertisers. First, rather than buy imported bric-a-brac and novelties for Christmas gifts, they will want to buy domestic-made items such as furniture, to help the recovery program. Second—and more important—another twelve months have passed, and the need for new items or for the replacement of old furnishings, is greater than ever.

To insurance men, new furniture should immediately suggest the question, "Does this family have a policy on household furnishings?"

* * *

Make sure that every one of your customers has the opportunity to buy a Household Furniture Policy from your office. And, don't forget to discuss this coverage with your prospects. Your contact may lead to a good line of general property insurance.

New literature on this policy has been prepared for Agricultural and Empire State Agents. If you would like copies—even though you do not now represent us—write us at once, and we will see that our nearest representative gets them to you promptly.

Agricultural Insurance Company, of Watertown, N.Y.

Empire State Insurance Company, of Watertown, N.Y.

$100,000; Fall River, Mass., business building, $200,000; Ravenna, O., office building, $100,000; Baltimore, paper box plant, $400,000; Sea Gate, L. I., club house, $100,000; Northampton, Pa., store, $75,000; New Orleans, oil tanker, $75,000; Greenfield, Mass., business block, $125,000; Middletown, N. Y., business block, $110,000; Walla Walla, Wash., grain house, $125,000; Richmond, Va., fertilizer plant, $150,000.

* * *

O. F. WALLIN RESIGNS

Announcement is made this week at the United States headquarters of the Eagle Star & British Dominions and Lincoln Fire that O. F. Wallin, who since 1901 has been active in the management of the companies, has because of ill health, tendered his resignation. Mr. Wallin was a member of the managerial firm, consisting of George W. Blossom, W. A. Blodgett and Mr. Wallin. Mr. Blossom recently retired from the firm in order to relieve himself of the many responsibilities, desiring to confine his attention to his local agency.

General Manager McNab from the head office of the Eagle Star, who has been in this country for some weeks, is still making his headquarters in New York City and Mr. Wallin's resignation was accepted by him with great regret. Mr. Wallin was formerly head of the special risk department in the western office of the National of Hartford. He had a fine engineering and underwriting knowledge. When the western department of the Eagle Star was established, Mr. Wallin was secured as associate manager. He was then taken to the head office in New York and made a member of the managerial firm.

* * *

FEDERAL CLASS 2 MEMBER

The Federal of New Jersey has been elected to class 2 membership in the New York Fire Insurance Exchange. Another new member is the First National of Seattle, of whose New York department E. E. Cole, Jr., is manager. F. E. Acker, metropolitan agent Western of Toronto, and F. M. O'Brien, metropolitan agent World F. & M., have been elected to class 3 membership.

* * *

RUMSEY WITH DONOVAN

David Rumsey, well known lawyer, who was formerly connected with fire insurance, has become associated in law practice with Col. W. J. Donovan, former assistant attorney general of the United States. Mr. Rumsey has been a member of the partnership of Rumsey & Morgan. He was at one time counsel and a vice-president of the America Fore companies and served for many years as chairman of the committee of laws of the National Board.

* * *

WARNER BACK IN NEW YORK

Harold Warner of New York, general manager of the Royal-Liverpool & London & Globe group, has arrived home after spending some time in San Francisco arranging for the retirement of Coast Manager T. H. Anderson and the appointment of Ray Decker, manager of the Royal, as manager of both fleets.

* * *

BIG FINE IMPOSED

What is believed to be the largest fine ever assessed against a member is the $5,300 levy against a prominent fire company by the New York Fire Insurance Exchange. The company was charged with having paid excess brokerage. This is not only a heavy fine so far as the New York Fire Insurance Exchange is concerned but also is probably one of the largest fines ever imposed by any fire insurance organization. This action is interpreted to mean that the exchange is proceeding with a big stick. The company is an English institution.

* * *

G. W. LYONS' NEW WORK

A recent accession to the staff of the Fire Companies' Adjustment Bureau at its headquarters in New York City is G. W. Lyons, who has been attached to the special risk department. He will give particular attention to handling losses under inland marine covers. He was formerly with the Marine Office of America.

* * *

P. T. TEBBY APPOINTED

P. T. Tebby, 123 William street, has been appointed agent for the New York metropolitan suburban territory of the Virginia F. & M.

* * *

WILLIAMSON SAILS FOR HOME

E. T. Williamson, who becomes general manager at the head office of the Norwich Union Fire Jan. 1, sailed Friday from New York City for home. He has been visiting United States and Canadian headquarters for some weeks past. Heretofore, General Manager Lees has been in charge of both the Norwich Union Life and Norwich Union Fire. On Jan. 1 each company will have its own general manager. Mr. Williamson has been fire manager.

* * *

BRYANT UNDERGOES OPERATION

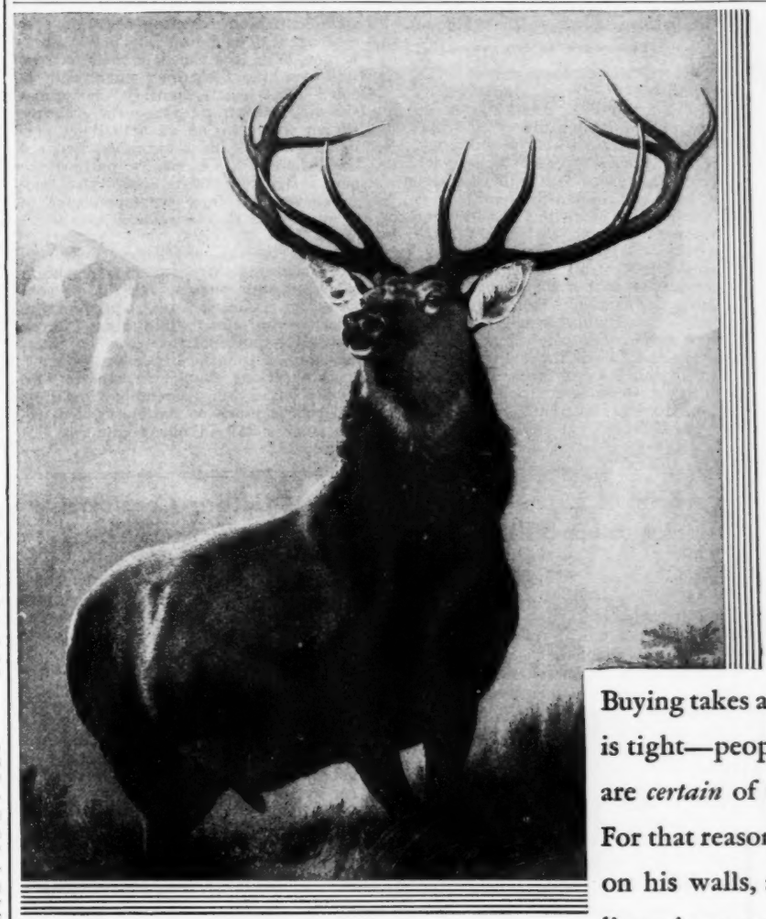
L. S. Bryant, assistant general agent of the western department of the North British & Mercantile group, who has been away from the office for several weeks through illness, underwent a surgical operation at a New York City hospital Dec. 18. Confidence is expressed that he will be about again within a reasonable time.

* * *

HEIR ARRIVES FOR CHRISTMAS

An early and greatly appreciated Christmas present received at the home of W. J. Traylor, assistant publicity director of the North British & Mercantile group, was a brand new boy, the second to gladden the family circle.

W. S. Meany, Greenwich, Conn., local agent, has been appointed Connecticut administrator for the National Recovery Council. He is the father of Helen Meany, former national diving champion and a member of three Olympic swimming teams.



Buying takes a definite trend when money is tight—people prefer to buy where they are *certain* of the value they are getting. For that reason the familiar Hartford stag on his walls, and on the policies he delivers is an asset to the Hartford agent—to his customers the Hartford trademark is a seal of *certainty* proved by an unbroken record of 123 years of paying claims promptly and in cash, and assured by resources ample to meet every current obligation to Hartford policyholders.

HARTFORD FIRE
INSURANCE COMPANY
HARTFORD • CONNECTICUT



Sound Automobile Insurance

Inquiries from responsible agents and brokers welcome.

MOTOR VEHICLE CASUALTY CO.
"SOLID AS THE PYRAMIDS"
Copyright 1933 by Motor Vehicle Casualty Co.

HOME OFFICE
223 W. Jackson Blvd., Chicago, Illinois
A STOCK AUTOMOBILE COMPANY

Under same management for the past 18 years.
Organized in 1914 as Motor Vehicle Underwriters. Organized as Motor Vehicle Casualty Company in 1930.

Wants Accounting Reform

John J. Joyce, Jr., supervisor of agency accounts at the head office of the Fidelity & Guaranty Fire of Baltimore makes some comment on the subject of agency accounting well worth reading. He said:

"Fire companies are spending entirely too much time and money in the operation known as 'Agency Accounting.' The practice of rendering accounts current is continued even though 75 percent of the agents now rendering statements do not remit in accordance with the balance shown on their account.

Procedure Is Suggested

"Hence the time consumed by the accounting departments in checking and auditing these statements is eventually lost. This is not the only evil. The home office must also put through offsetting entries in order to keep its records in agreement with the agents', upon receipt of their remittances. It is my belief that the abolition of the account current, wherever possible, would certainly be an economical step on the part of all companies. Casualty companies do not experience any difficulty in handling their agents under this. It certainly would not be much of a task to educate agents along the above line, when the majority of them are at the present time using this particular system in addition to rendering their accounts current.

"In order to put the plan into circulation, a form letter could be forwarded to all agents, signifying the intention of the home office to omit the accounts current procedure wherever possible, and an agent wishing to continue under the present system could do so by notifying the company accordingly. All agents wishing to discontinue rendering statements could also advise the home office of this fact in order to establish a record of their intention. Agents rendering accounts current would, of course, be expected to remit in accordance with the balance shown on their statement. Non-rendering accounts current agents could remit by policy number on or before the date their balance was overdue. Field men would still receive the usual monthly delinquent sheets, excepting that the figures shown would be on an actual net premium basis as the commission had not been deducted. Companies putting the new system into effect would also find, I believe, that their correspondence to agents would also be reduced to a minimum.

"Altogether too much time is wasted in accounting departments disputing balances with agents. At the present time, the collection of a premium is more of an effort than many of us realize. Cancellations are greater, therefore accounting is more difficult. It is a serious change to consider, no doubt, but I am absolutely certain it will relieve much of the worry and unnecessary detail in our accounting departments."

Problem of Liquor Cargo Insurance Still Perplexing

The problem of insuring liquor cargoes and trucks is still perplexing marine people.

One arrangement that is being made is to insure liquor that is part of a mixed cargo. The underwriters that will issue coverage on this basis prefer to have the liquor cargo as low as $500, but considerable coverage is being issued when the value of the liquor is as high as $1,000. Endorsements are being issued by some companies on cargo policies, stipulating that liability on account of alcoholic beverages is limited to one-fourth of the value of the cargo and in no event shall be more than $500.

Insurance is fairly generally available when liquor is carried in armored cars, but even under those circumstances, the coverage is limited usually to $10,000. Sometimes the insurance company insists that the truck be followed by a car in which are two armed guards.

A good many companies are declining to insure liquor cargo in trucks on any basis. A certain amount of that hazard must be assumed, however, in the ocean marine accounts.

One complication is the fact that in many states, where the law so requires, copies of cargo policies are on file with the secretary of state or other official. The law in most states provides that liability may not be restricted. Under these circumstances, some of the companies are taking a private agreement with the truckmen, limiting or excluding liability on liquor.

The companies are most stringent in their underwriting of these risks in large cities, but even in the smaller places, the liability on liquor is limited to $250 or $500.

Agents Getting Considerable Fur Coat Business This Year

Approval by the Illinois insurance department and the departments of several other midwestern states of the marine writing definition by the National Convention of Insurance Commissioners and others that furriers after a stipulated time shall not issue any more furrier's customer's certificates, has resulted in bringing a large volume of this business to agents. Several western marine departments report upward of 25 percent increase in this business this year over last year.

In Illinois, Insurance Director Palmer first issued an order permitting a furrier's open policy issued up to Oct. 31 to run until expiration date next year, but later amended this, setting Jan. 1 as the final date beyond which no furriers shall issue any more of these certificates or receipts.

The business at the old rate of $1.50 per $100 and $5 minimum premium was profitable for the companies, but there are many marine underwriters today who do not care for the business at the 50-cent rate and $1 minimum premium to which competition has brought it.

It is pointed out that although the hazard may be slight, a volume of $300,000 in valuation will be necessary to provide sufficient premium to pay a $1,500 loss. As a matter of fact, after charging off overhead expense, acquisition cost and taxes, much greater volume will be needed.

Miscellaneous Notes

The **Providence Washington** has declared a regular dividend of 20 cents and an extra of 20 cents payable Dec. 27 to stockholders of record Dec. 14.

The **Birmingham Fire,** Birmingham, Ala., has declared a quarterly dividend of 2½ percent, payable Dec. 31 to stockholders of record Dec. 15.

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Singing the Scorch Song

The following communication is from C. A. Abrahamson, well known local agent of Omaha, who is president of the Omaha Insurance Agency:

We can not agree with that portion of your editorial in your issue of Nov. 2 under the caption "Dangerous Advice Is Given," which reads: "The companies have rightfully agreed for the most part to deny liability where these scorch claims are made and there has been no flame."

Have the companies "rightfully" agreed?

It is true that the company executives gathered in solemn conclave, and after years and years of tolerance of these properly termed "nuisance claims," suddenly decided that something must be done about it. So they took the easy course—for them. It was a simple matter for a group of company executives to agree among themselves to notify agents and field force that hereafter scorch claims would not be paid, and with this manifesto their job was done.

Agent Became Goat

But was any thought or consideration given the agents or the insuring public? Evidently not. To the agent, as usual, was left the thankless task of carrying out the companies' dictum. The agent became the goat, and the only convenient one on which the public could vent its ire. To properly carry out the order it would be necessary for an agent to notify each assured for whom he was carrying fire insurance on household goods. This would be necessary because there is hardly any one who has not at least heard of a scorch claim being paid and the general public, which never reads its policy, has come to believe that scorch losses are a definite part of their fire coverage.

But the average agent would not send out notice or advise his assureds, unless it were a small agency. Instead, he waits and prays that there won't be any more scorch claims. But sooner or later one of his good assureds who never before has reported a loss reports a scorch claim. The agent carefully explains that such a claim is not covered under the policy. The assured wants to know "what kind of a company" his insurance is with, because he knows his neighbor had a scorch claim paid less than a year ago. The agent patiently explains that all of the companies have agreed that from now on they will pay no more scorch claims; that they were never covered anyhow; that the rate does not contemplate such claims, and so on ad infinitum. If the company executives who decided on this means of settling the troublesome problem (safely entrenched behind their desks) were compelled to sing the scorch song at intervals, another solution would quickly be found. It is like the suggestion that diplomats be compelled to shoulder a gun, as being the best possible assurance for peace.

We will not gainsay the companies' right to act as they did. We will not question the fact that a problem existed—a very real one. But the very nonchalance with which the problem was disposed of—"passing the buck"—is certainly open to criticism. After all, if the first claim had not been honored by a company, years ago, there would not have been a problem later.

While we could not very well under any circumstances agree with Reporter Adams' suggestion to create a blaze, we are most certainly of the opinion that he is, unconsciously perhaps, pointing out that the danger in the edict is the possibility of creating crooks out of hitherto honest assureds and some agents.

From a sales standpoint, it is a great deal easier to sell real coverage at a fair price, than exclusions at any price. Witness the personal property floater where, in nine cases out of ten, the assured pays a higher premium, but company loss ratios are generally favorable. Why then could not dwelling rates have

(CONTINUED ON PAGE 33)

Western Adjustment Makes Changes in Offices in Iowa

Carl Miller, who has been manager for the Western Adjustment at Waterloo, Ia., since 1931, has retired and is suceeded by W. M. Messerschmidt, a staff adjuster at Des Moines. This office will be known as a resident adjuster's office under the supervision of Des Moines.

I. L. Griffin, head of the Davenport, Ia., office, has been relieved by R. A. Stratton of Peoria, Ill. Mr. Griffin will reside at Duluth.

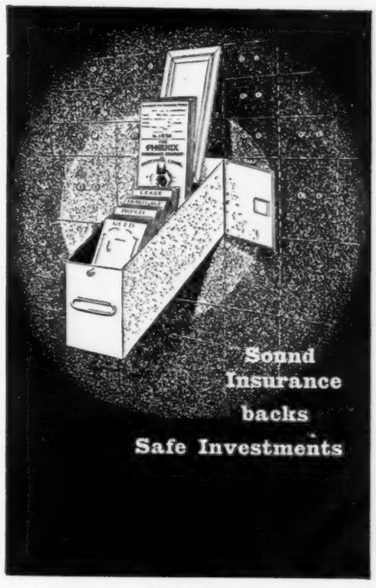
The branch office at Dubuque has been assigned to the supervision of Des Moines.

Western Companies' Showing

The Western Casualty & Surety and Western Fire of Fort Scott, Kan., for the 11 months ended Nov. 30 show combined premium income, $2,568,225; increase, $208,000. The loss ratio increased from 51.3 percent to 56.2 percent, due to casualty losses.

Kansas City Ganders Festive

Approximately 65 members of Heart of America pond of the Blue Goose at Kansas City attended the Christmas meeting Dec. 18. Everyone brought and everyone received a gift. Otto Ramseyer, North America, led in singing, and W. O. Woodsmall, Fire Association, pinch-hit for Tom Nuckles of the Springfield as chairman.



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AS SEEN FROM CHICAGO

BACK TO INSURANCE DISTRICT

The moving of the western department of the Sun early in 1934 to the Jackson-Franklin building, 309 West Jackson boulevard, Chicago, may mean that other insurance offices that have in the past moved from the so-called "Chicago insurance district" may decide to return to this area, in which there is a decided concentration of insurance offices close to the producing forces of the business.

The Jackson-Franklin building is in the heart of the insurance district. It is a 22-story structure completed in January, 1929, with the finest appointments, equal to any office building in the loop. Designed by Alfred S. Alschuler, prominent Chicago architect, the building was originally occupied primarily by executive offices and kindred lines of the apparel industry. The owners of the property saw an apparent need for a high type office building close to the loop and seven months ago vacated the structure of the apparel tenants and simultaneously started the rehabilitation of the property to conform with the highest standards of office space.

G. M. Zettler, president of the corporation owning the property, states they have spent in excess of $90,000 towards rehabilitation and altering and will make an additional expenditure of at least $35,000 more for completion of some of the floors as new tenants move in. All wrecking in the building has been completed, which will not necessitate disturbing tenants with the usual noises associated with construction work. The contract for this rehabilitation work was the largest ever let in the Chicago area.

No detail has been overlooked to make the building desirable for office occupancy. The lobby is attractive with its imported marble finish, attractive lighting fixtures, colorful flooring and nine high-speed up-to-date elevators which assure rapid, efficient service. The trim throughout the building is of solid walnut, the halls wide, airy and light. Madre-Vein Alabama marble is used for the side walls and corridors throughout. Decorations in the corridors differ greatly from that usually found in office buildings.

The space arrangement is ideal due to the owners' foresight in placing all of the utilities in the center of the structure, leaving all four sides of the building free for offices, all of which are outside and assure the maximum light. With 12,500 square feet per floor, the building should be particularly attractive to tenants who need large amounts of space. An unusual feature furnished without cost to prospective tenants is the service of an experienced architect who has been able to decrease the prospect's requirements for space under the present needs from 10 percent to 30 percent, without sacrificing efficiency. The Jackson-Franklin building being in the heart of the insurance district of Chicago, yet a block from the loop, is in a position to offer its space at rentals considerably cheaper, and still maintain its complete service and appointments.

A number of the more prominent Illinois and Indiana coal operators are now housed in the building. It is felt the moving of the Sun to this building is only the beginning of a large number of insurance offices that will eventually be located there.

* * *

GETTING READY TO MOVE

H. G. Casper, western manager of the Eagle Star & British Dominions and Lincoln Fire, is planning to transfer the department to United States headquarters in New York City, Jan. 17. Mr. Casper will leave immediately for New York City but his family will remain in their Hinsdale home until summer. Mr. Casper becomes assistant United States manager at the New York office.

* * *

Capt. H. M. Hansen of Chicago, who sailed Great Lakes schooners some 50 years ago, and who died at the age of 96, was the father of **Fred B. Hansen** of the R. A. Napier & Co. agency of Chicago.

Round Table Head



W. R. TOWNLEY

W. R. Townley of the Underwriters Salvage Company of Chicago was elected president of the Knights of the Round Table at the annual gathering in Chicago. He succeeds **A. F. Dean**, retired western manager of the Springfield F. & M., who served as president at the time the round table was organized until his death. Mr. Townley had been scribe of the round table for many years.

The new vice-president is A. F. Powrie, Fire Association; treasurer, W. H. Lininger, Springfield F. & M., and scribe is Carl Ingram of the Great American, who was just elevated to knighthood.

Among those present was C. F. Sturhahn, president of the Rossia, who is an honorary knight.



NEWS OF FIELD MEN

Takes On Iowa and Nebraska

R. H. Stuhrman Has Been Appointed Special Agent Northern of England in Two States

R. H. Stuhrman, a graduate of the United States head office of the Northern of London and its affiliated companies, will on Jan. 1 become special agent for Iowa and Nebraska, with headquarters at Des Moines. Field work will not be new to him, for at various times he traveled Minnesota and the Dakotas for the Northern group, gaining knowledge of men and conditions that greatly aided in his home office work. Heretofore Iowa and Nebraska have been supervised for the associated companies by the field staff in adjoining states, each member being held responsible for the development of specified sections. The selection of Mr. Stuhrman as special agent for a defined territory will permit more intensive cultivation than has been possible under the arrangement previously in effect.

Field Notes

The annual Christmas party of the **St. Louis Blue Goose** was held Dec. 18.

The **Oklahoma Blue Goose** will hold a Christmas party at Oklahoma City the night of Dec. 26.

Earl Spink Succeeds Diggins

Veteran Missouri State Agent Fireman's Fund Is Retired from Active Service

A. B. Diggins is retiring from active duty as Missouri state agent for the Fireman's Fund, a position he has held for 25 years. He is being succeeded by Earl A. Spink, who formerly was connected with the Fireman's Fund for 16 years and whose last connection was with the Crum & Forster organization in Ohio.

In announcing the retirement of Mr. Diggins, Western Manager S. M. Buck stated no employe ever served his principal more devotedly and the company is therefore glad to relieve him of active service under a liberal retirement plan.

Joned Company in 1909

Mr. Spink joined the Fireman's Fund in its Chicago office in 1909 and was later sent to the Ohio field, where he remained until 1925. At that time he left the insurance business and went to Florida, but later took a position with the North America in that state and then joined the Globe & Rutgers in Florida. He was transferred by the G. & R. to Ohio, where he remained

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until April of this year, when he became connected with Crum & Forster.

Springfield Puddle Proposed

Officers and chairmen of committees of the Illinois Blue Goose at a meeting in Chicago Tuesday decided to sound the possibility of establishing a puddle at Springfield, as well as the one at Peoria, which will be established Jan. 17. C. W. Ohlsen, assistant western manager of the Sun, who is most loyal gander of the Illinois pond, and P. J. V. McKian, Western Actuarial Bureau, wielder, agreed to go to Springfield Jan. 8 to stimulate interest in the organization of a puddle there and also to promote attendance at the Peoria meeting.

L. H. Bridges of the Home, most loyal grand gander of the Blue Goose, announced three grand nest officers will be at the Peoria gathering. In addition to Mr. Bridges, there will be S. A. Mehorter of the Home of New York in New Jersey, who is grand supervisor, and C. P. Helliwell of the New Brunswick at Milwaukee, who is grand wielder.

In addition to the Blue Goose function at Peoria, there will be a meeting of the Illinois Fire Underwriters Association and the Illinois Field Club in Peoria Jan. 17.

Wisconsin Women's Party

Wisconsin Women of the Blue Goose gave a Christmas party Dec. 19. Among those on the program were Miss Sylvia Nicholson, daughter of Roy L. Nicholson, state agent Michigan Fire & Marine, and Miss Betty Daniel, daughter of Frank R. Daniel, chief engineer Fire Insurance Rating Bureau. Wednesday evening Miss Daniel presided as "queen" at the 1933 University of Wisconsin football banquet at Madison, where she is a student.

J. R. Thompson in Field Work

J. R. Thompson, a graduate of the home office of the Hanover Fire, has been appointed special agent of the company for a section of Long Island, relieving E. C. Ryan, long supervising the entire territory, of a portion of it.

Coast Pond Christmas Luncheon

The San Francisco Blue Goose held its annual Christmas luncheon Dec. 18, with Leland W. Cutler, vice-president of the Fidelity & Deposit, as the speaker. A. T. Bailey, Pacific Coast manager of North British & Mercantile, was chairman. Selections were rendered by the glee club of the organization.

J. B. McMillan, C. N. Wilkinson

John B. McMillan has been appointed special agent for the New York suburban territory of the Providence Washington. He succeeds C. N. Wilkinson, who has been recalled to New England because of the incapacity of another special agent there.

E. N. Cunningham Bereaved

E. N. Cunningham, Indiana state agent of the Detroit Fire & Marine, is receiving sympathy of friends because of the death of his father, Fred O. Cunningham, at his home in Brooklyn, Ia. Mr. Cunningham attended the funeral.

NEWS OF THE COMPANIES

Premiums Showing Increase

Atlantic Mutual Is Closing the Year With a Substantial Gain in Its Business

The Atlantic Mutual of New York will show an increase in premiums this year. It has extended its branch office system to some extent and pushed out more aggressively in the inland marine field. The Atlantic Mutual stimulated much interest among brokers and agents in the insuring of yachts. It has a large business of this character throughout the Atlantic coast and on the Great Lakes. Some yachts run up into big money and hence the premium is worth while. The Atlantic Mutual is notable for first class service to agents and brokers in the marine field. Its great wealth of experience and age have enabled it to build up a large clientele.

Sheldon Catlin Is Named as North America Director

Sheldon Catlin, vice-president of the North America, has been elected a director of that company, thus setting a precedent, because the long established practice has been for the senior vice-president to be the only officer other than the president to occupy a place on the board.

Mr. Catlin joined the North America in 1906 as special agent. Four years later he was made assistant secretary and in 1916 he was advanced to third vice-president. A few months later he was made second vice-president.

Merrimack Absorbs Affiliate

The Merrimack Mutual Fire of Andover, Mass., has absorbed the affiliated Lynn Manufacturers & Merchants Mutual Fire of the same place. The $100,000 paid up guaranty capital of the Lynn Manufacturers has been retired and in its place the Merrimack has sold $100,000 of guaranty capital.

The Lynn Manufacturers was started in 1907. As of Dec. 31, 1932, it had assets of $216,946, premium reserve $61,516, guaranty capital $100,000 and net surplus $35,787.

B. S. Flagg, president of the Merrimack, was also president of the Lynn Manufacturers.

The Merrimack was started in 1828. As of Dec. 31, 1932, it had assets of $1,021,447, premium reserve $681,305 and net surplus $220,642.

Union National Licensed

The company which C. O. Talmage of Omaha was originally promoting as the General States Fire has now become the Union National Fire and has received a license from the Nebraska department. Authorized capital is $500,000 of which $100,000 is paid in. Par value of the shares is $10. They were sold at $15 to create a surplus of $50,000.

Original stockholders of the General States Fire have taken certificates of the Union National Fire in lieu of their old holdings. The General States Insurance Corporation, the general agency which was started by Mr. Talmage, will act as general agent for the Union National.

The directors are Ella Kent, P. M. Larson, C. R. Roberts, Mr. Talmage and E. E. Truelsen. The present officers are C. B. Roberts, president, Mr. Truelsen, vice-president and Mr. Talmage secretary. New officers and directors will be elected at the annual meeting in January, 1934.

Tax Covered by Dividend

The Boston has voted to declare a semi-annual dividend of $8.42 per share, $4.21 payable Jan. 2 to stockholders of record Dec. 20 and $4.21 payable April 2 to stockholders of record March 20.

As the declaration of a dividend prior to Jan. 1 makes it subject to the 5 percent tax under the terms of the National Industrial Recovery Act, the 42 cents is declared as an extra dividend to the regular $8 dividend so that after deduction of the 5 percent tax, the stockholder will receive the amount of the regular dividend in full.

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"WE *are particularly impressed with the financial strength and length of time the Millers National has been in business.*"—BALTIMORE, MD., LOCAL AGENT.

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The Season With the Golden Heart

Sometime ago the son of a prominent fire insurance company president in the east in a conversation with his mother said:

"Mother, you have a golden heart."

The mother in surprise at this statement said, "Why do you say that, son?"

The boy replied, "Because you are always doing something for somebody else."

This amiable woman with a wonderful spirit and great vision, who by the way, had her useful career suddenly ended recently in a tragic automobile accident, was typical of the sentiment that pervades people at this particular time of the year.

During the Christmas season our thoughts become objective rather than subjective. We begin to inventory life's values and we find the most precious ones centered in those in whom we have an interest. The more altruistic cannot fail to see divinity shining through the faces of those about us. We become more magnanimous at this time, more sympathetic, more mellow.

Despite the distress, painful experiences and tragedies of the last few years, we all realize we are living in a time of great opportunity and responsibility, and are passing through an experience of change and evolution that comes once in an era. We are beginning to measure men's worth not by dollars but by achievements in activities more enduring. We are living in a day that is ushering in changes of great moment. Despite the calamity and upheaval that have visited the globe, we are rich in our possessions. We may have sacrificed much in the way of things material. We have gained far more in a better understanding of mankind. Out of all this economic cataclysm will emerge a finer sense of social justice.

Although The National Underwriter has been confronted with serious problems as has every other enterprise, we, attached to its organization, feel a great thrill of pride in the great business with which it is allied and the manner it has met the tragic years. In the midst of business life, there have come forth men and women engaged in insurance who have proved their genuine worth. They stand forth as the princes and princesses of one of the great business realms of the world.

So, in this Season of the Golden Heart, The National Underwriter sends forth greetings and fond wishes to all inhabitants of this realm, to all who are contributing to the upbuilding of the great institution of insurance.

Keeping Young Although Old

The trouble with some people in insurance is that they feel that they have reached a point where they can learn no more. They cease to study and think. They take it for granted that their experience is sufficient to guide them and hence it is idle to try to learn anything new. When one stops learning and adding to his knowledge and making himself more efficacious, he is fossilized and old. The man, however old he is in years that keeps abreast of the times and is always eager to learn maintains a youthfulness of spirit and becomes more and more valuable to his organization. There are many men who are old at 40 and others that are young at 70. Some should have been retired from business at 40 because they have lost their usefulness. Others that have retired at 60 should have kept on until 70 or thereafter because they had not ceased to learn and were constantly improving due to their eagerness to keep an open mind for new things and new ideas.

Satisfaction in Work Well Done

Every insurance salesman should take great gratification in knowing that his work is being done well. It gives one a sense of elation to feel that in working out insurance programs for customers there has been a sincere attempt to give most efficient service and to leave in the minds of policyholders a feeling of gratitude that is part of the salesman's reward.

PERSONAL SIDE OF BUSINESS

Raynolds Barnum of Mann, Barnum, Kerdolff & Welsh has been elected secretary of the Kansas City chapter of the Executives Association.

—

W. D. Lowry of Minneapolis, retired state agent of the Home of New York, has had a long siege of illness but is now able to get about. He was in a hospital for some time and now Mrs. Lowry has found it necessary to go to the hospital for treatment.

—

C. W. Higley, president Hanover Fire, accompanied by Mrs. Higley and their daughter, left last week for Los Angeles, where they will spend the holidays and visit their son, Philo, who is publicity manager for one of the large movie enterprises. Mr. Higley while on the trip will visit the chief Hanover headquarters.

—

John X. Wegmann, president of the Lafayette Fire, has been elected president of the New Orleans association of commerce.

—

T. B. Norton, senior member of the Norton, Bernard & Nungesser agency, New Orleans, is dead at the age of 65 years, after an illness of one month. He went to New Orleans in 1893 and was made secretary of the New Orleans Compact, the old rating organization. Several years later he became general agent for the National Fire, Mechanics & Traders and United States Fidelity & Guaranty. Three years ago he formed the present agency.

—

Mrs. Mae Barr Long, deputy insurance commissioner of California, again heads the Christmas committee of the Business & Professional Women's Club of San Francisco. Serving with Mrs. Long on this committee is Miss A. V. Bowyer, Pacific Coast editor of The National Underwriter.

—

Lee Herdman, insurance director of Nebraska, has entirely regained his eyesight as a result of three operations for cataract, but these have left him with a heart trouble that restricts his activities. For a number of years Mr. Herdman had been compelled to resort to employment of a reader or to laboriously peruse documents with a high-powered reading glass. He hopes before long to renew acquaintance with the contents of his 2,000 volume library, too much devotion to which caused his troubles.

—

H. H. Whitney of the general and local agency of Rice & Whitney of Boston died at his home in Medford, Mass., at the age of 65. He started in 1891 as a clerk in the Niagara office in Boston, later becoming assistant manager and then associate manager. He retired about five years ago. He was at one time president of the Boston Board and was also president of the Boston Protective Association.

—

There was a large assembly of insurance people at the funeral of **C. D. Livingston,** former Michigan insurance commissioner, at Detroit last week. The services were conducted by Dr. Meyers of the Woodward Avenue Congregational Church. Company officials, field men, local agents and organization men gathered to do honor to a man universally beloved. The pallbearers were A. F. Powrie, western manager Fire Association; W. P. Robertson, assistant western manager of the North America; H. B. Corell, deputy insurance commissioner; George K. March, president Detroit National Fire; Vice-president L. J. Treanor of the Michigan Life, formerly connected with the Michigan department, and G. W. Carter, Detroit local agent. In addition to Mr. Powrie and Mr. Robertson, there were present from Chicago H. M. Carmichael, manager Oil Insurance Association; W. N. Achenbach, manager Aetna, and R. E. Vernor, Western Actuarial Bureau.

The governing committee of the Western Underwriters Association the Friday before Mr. Livingston's death agreed to employ him under the direction of the public relations committee of which J. C. Harding of Springfield is chairman. Mr. Livingston had accepted the position and he and Mrs. Livingston were on their way to Chicago to secure living quarters. Mr. Livingston on the Saturday evening previous to his death complained of some pain in his side, which continued through Sunday. Mrs. Livingston urged him to go to Chicago by train Monday but he desired her to accompany him so that they could look over apartments.

Mrs. Livingston was at the wheel when suddenly she saw her husband writhing in pain. He was taken to a farm house and given some first aid treatment. The farmer had no telephone so Mrs. Livingston drove back three miles to a filling station and called a physician from Bristol. Mr. Livingston died, however, 10 minutes before the doctor arrived. The physician stated that the cause of his death was angina pectoris and he said that even if he had arrived immediately he could have accomplished nothing.

—

Funeral services were held in Memphis, Tenn., Monday for **C. G. Petrie,** 59, senior partner in the Charles L. Crane Agency Company, St. Louis, who died in St. Petersburg, Fla., following a year's illness. About six years ago he was forced to leave St. Louis because of his health and later opened an agency in St. Petersburg but retained his interest in the Crane agency. One of his brothers, T. D. Petrie, is also a partner in the Crane agency.

—

Frank T. B. Martin of the Martin Bros. & Co. agency of Omaha had a unique experience last week. He was visiting his son in California and while aiding him in prospecting work washed out a pan of dirt that had $5 worth of gold in it, two small nuggets.

—

I. C. Rowland of the Hansen & Rowland general agency, Tacoma, is returning home after spending two months in the east, visiting company offices in Baltimore and New York and making an excursion to Bermuda.

—

C. E. Wherry, Wyoming, Ia., father of Charles Wherry of Des Moines, state agent for the Hartford, and of Sim Wherry, former Iowa field man, now in Minneapolis, is dead. He had been postmaster at Wyoming for 11 years.

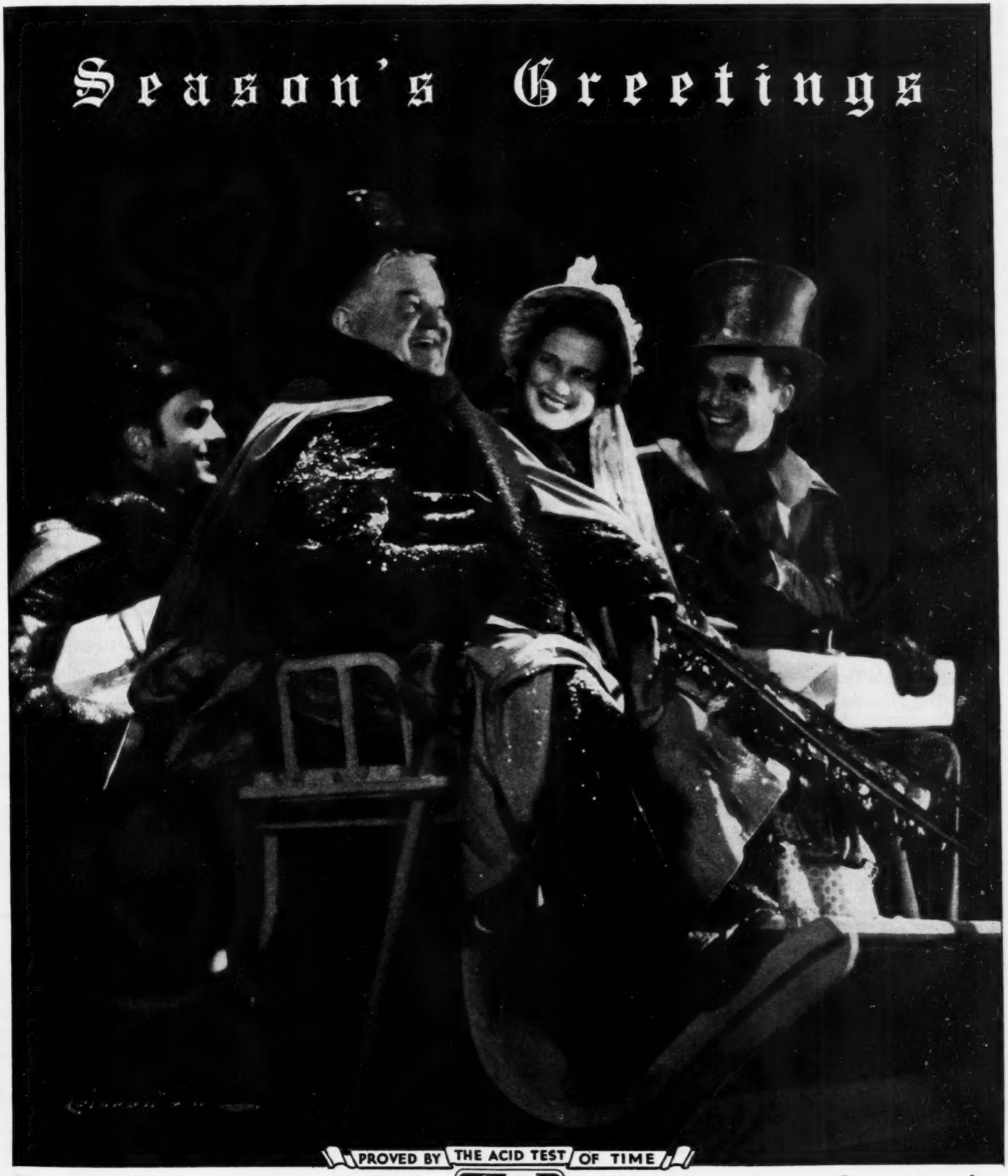
—

Rosse Case of Marion, Kan., well known local agent and former president of the Kansas Association of Insurance Agents, an authority on farm insurance, is renewing his unique and delightful celebration of last year. He has sent a request to a number of insurance friends all over the country to join him in a toast Christmas day, 12 o'clock Eastern time, 11 o'clock Central time, 10 o'clock Mountain time and 9 o'clock Pacific time so that there will be a uniting of friends in a bit of sentiment that Mr. Case suggests as follows:

Time weaves a mystic pattern on this
queer old loom of life.
His shuttle is the fleeting year, his warp
—the joy and strife;
His woof and web—the hopes and
dreams, Good Fortune and Despair,
But Friendship is the golden thread that
makes it all so fair.

—

E. A. Ford of the Scoonover & Ford general agency, Indianapolis, died suddenly while sitting at his desk talking with his partner, E. J. Scoonover. Death was due to heart disease. He was 48 and had been associated with Mr. Scoonover 26 years. He had also practised law for 16 years.



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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Push Minnesota Member Drive

State Leaders Visit Iron Range District —Range Association Elects New Officers

ST. PAUL, Dec. 20.—The membership campaign undertaken by the Minnesota Association of Insurance Agents is making good headway. A group of state leaders has just completed a trip over the iron range district of northern Minnesota where several new members were enrolled.

At Chisholm, in the heart of the mining country, the delegation attended a meeting of the Range Association of Insurance Agents, one of the most active regional groups in the state. At that meeting Harry Levant, Eveleth, was elected president; Charles Christianson, Aurora, vice-president; William Knudsen, Hibbing, secretary; G. Hepworth, Hibbing, treasurer; Sherman Talle, Eveleth, and Ralph Johnson, Virginia, directors.

S. C. Aldrich of St. Paul is directing the membership drive. He was accompanied on his trip to the range by F. S. Preston, Minneapolis, past state president; F. C. Esterly, Minneapolis, chairman state executive committee, R. M. Thompson, secretary-treasurer; Frank Ney, Minneapolis; C. F. Liscomb, Duluth, member national executive committee; Frank Compton, president Duluth board; E. C. Huhnke of the state executive committee, and A. L. Gerry, the two latter also of Duluth.

Bill Would Double Tax in Three Big Minnesota Cities

ST. PAUL, Dec. 20.—Minnesota insurance interests are considerably agitated over a bill introduced in the special session of the legislature, sponsored by the Farmer-Labor organization, which would double the present tax 2 percent on gross fire premiums collected by stock companies in St. Paul, Minneapolis and Duluth, and would include mutuals, heretofore exempt from the gross premium tax.

Insurance men say the additional tax would make the stock companies pay altogether about 7 percent of gross premiums. It is estimated that the present premium tax plus other taxes and fees amounts to 5 percent.

Mutuals would have to pay 2 percent annually on gross premiums in cities which maintain organized fire departments and 2 percent additional on business written in the three cities named.

Both the Insurance Exchange of St. Paul and the Minneapolis Underwriters Association have taken steps to fight the bill.

Retaliation on the part of other states is predicted by O. D. Hauschild of Minneapolis if the proposed increase is put through the legislature. Minnesota companies operating in other states would be forced to pay an additional tax in those states, while home companies in those states would not have the additional burden and therefore would have an advantage over Minnesota companies.

Working Out Indiana Agencies

Some local agencies in Indiana which are operating under committees of company field men are working out to ultimate restoration to their owners. A very few have already been cleared of their financial difficulties and restored to the owners. A few more are so hopelessly involved that the best that can be hoped for is to make a partial salvage for the interested insurance companies. Agents who are thus closed out are practically ineligible to reenter the insurance business in Indiana as the insurance department will not relicense an agent who has habitually collected money belonging to his companies and failed finally to remit the companies' portion of the premium.

Incorporate Detroit Agency

The Detroit National Agency, operated in connection with the Detroit National Fire by some of the latter company's officers, has filed articles of incorporation. Incorporators are G. K. March, president; A. A. Templeton, vice-president, and R. R. Bucknell, assistant secretary, of the Detroit National Fire.

Pass Michigan Mutual Bill

LANSING, MICH., Dec. 20.—The Michigan house has passed a bill permitting certain mutuals to obtain loans from federal agencies. The measure was sponsored by Governor Comstock. The bill, now in the senate insurance committee, would empower mutuals to purchase stock or become members of agricultural credit corporations or similar relief organizations formed to finance or loan money to such carriers.

Big Sugar Fire

One of the largest losses in the middle west in some time occurred in the destruction of buildings, machinery and about 10,000,000 pounds of sugar in the Monitor Sugar Company plant at Mt. Clemens, Mich. There was $114,000 insurance on buildings and machinery and $400,000 on contents. The fire started in a warehouse.

Offers Tax Lien Cover

N. W. Buzby, 425 Scarritt building, Kansas City, is advertising, in communications to Missouri agents, that he is in a position to place insurance that will reimburse the assured for any deductions the county collector might make from recoveries from fire or windstorm policies under the new Missouri tax lien law. This statute provides that the county collector shall make such deduction in the event of loss where taxes on the property are unpaid and the loss might prejudice collection of the tax. Mr. Buzby states the coverage will be written at rates based on the amount of taxes, the fire rates for location and the hazards. The mortgagee would be included in the protection without extra charge.

Regional Meet in Ohio

About 30 turned out for a northwestern Ohio regional meeting of the Ohio Association of Insurance Agents at Napoleon, the purpose of which was to arouse interest in the state association. The speakers were Herbert Boynton, president of the Toledo board, and Harvey Martin, also of Toledo. Similar meetings are being held in other cities in the state.

Fight Omaha Wage Cut

OMAHA, Dec. 20.—Chief P. M. Cogan, Assistant Chief Gardiner and three senior captains of the fire department have resigned and asked for transfers to the pension fund. Chief Cogan has been with the department for 42 years, and the others for long periods. Mr. Gardiner has led the protest of officers against making permanent the $120 a month now paid firemen, and predicted that at least a score of officers and men eligible to pensions would refuse to continue under existing conditions. M. J. Dineen, former chief, is being urged to return to head the department.

Plaintiff's Course Easier

Under the new practice act in Illinois, taking effect Jan. 1, service of process upon insurance companies is made more simple for plaintiffs in that the new act provides that process may be served by leaving a copy thereof with any officer or agent of the company found in the county, and in case the officer or other person attempting to make service shall make return or affidavit upon such process that he cannot in the county find any such officer or agent of the company, then the company may be served in any other county in the state. This is the interpretation of the new law made by Paul G. Annes at the December meeting of the Chicago Life Insurance Lawyers Club.

Mr. Annes took up in his paper the proceedings before trial and developed exceedingly interesting situations on the free and easy joinder of parties permitted under the new law.

St. Louis Cats Meow Elects

Reilly Finnegan has been elected most wise and powerful meow of the St. Louis court of Cats Meow. Other new officers are: Most sagacious recorder, Charles DeWitt; keeper of the catnip, E. H. Tigges; outside keeper of the watch, W. E. Hennessey; inside keeper, Herbert Wehrenbrecht; directors, A. T. Sauer and P. H. Murphy.

Pearl Enters Missouri

The Pearl Assurance has entered Missouri and will write fire and marine, windstorm, automobile fire, theft and collision. Its Class 1 agents in St. Louis are F. D. Hirschberg & Co., W. H. Markham & Co. and Weissenborn & Reynolds.

Homer Pease Transferred

Homer Pease, for some time with the Underwriters Adjusting in Omaha, has been transferred to Ottumwa, Ia., as resident adjuster.

Fred Lewis' Mother Dies

Mrs. Charlotte Lewis, 76, died last week at the home of her son, Fred J. Lewis, president of the George H. Russell Co., Milwaukee agency, and prominently known in state and National association activities.

New Secretary



JOHN A. LLOYD

John A. Lloyd, the new secretary of the Ohio Association of Insurance Agents, has a newspaper and political background. For several years he was managing editor of the Portsmouth, O., "Morning Sun." More recently he has been operating his own advertising and publicity business. He is serving his second term in the Ohio senate and is a member of many senate committees.

Middle Western Notes

John W. Bovee, who operated a local agency in Plainfield, Wis., for 40 years, died in that place at the age of 65. He was employed on several newspapers and served as assistant postmaster before entering insurance. Harold Bovee is carrying on the agency.

A. W. Jowerndt, local agent and prominent citizen of Odell, Ill., died recently. He had been in the business there about 25 years.

M. G. McCarthy, 72, who had been with the McCluer-Wilbur Underwriting Company in Kansas City since 1918, died at his home there. Born in Ireland, Mr. McCarthy was engaged in the liquor business from 1902 until 1918.

IN THE SOUTHERN STATES

Louisiana Increase Asked

Companies Petition for Rates to Yield Profit of 5 Percent Allowed by Law

NEW ORLEANS, Dec. 20.—A petition for increased fire insurance rates in Louisiana signed by representatives of over 200 stock companies has been presented to the Louisiana insurance commission. The commission has taken no action. The petition asked the commission to provide such increase in the rates as would avoid repetition of the $9,000,000 underwriting losses of the past five years. Instead of the 5 percent profit permitted under the Louisiana insurance law, the underwriting loss has been about 19 percent.

The petitioners asked that the commission refer their request to the Louisiana Rating & Fire Protection Bureau with a direction "to investigate, ascertain and fix such rates as will yield to the companies an underwriting profit of 5 percent on their business in Louisiana." Withdrawal of companies from the state, the petitioners stated, would mean loss of employment and a shortage of the supply of insurance to safeguard credit.

Gittinger Elected President

San Antonio Exchange Names Officers— Amendments to By-Laws Are Passed —Bank Agencies Affected

SAN ANTONIO, TEX., Dec. 20.—F. C. Gittinger of Rohde & Gittinger was elected president of the San Antonio Insurance Exchange at its December meeting. R. B. Harding was elected vice-president and F. F. Ludolph was reelected secretary-treasurer for his 20th term. Directors are K. C. Perry, C. F. Dieter, W. E. Fitch and Ralph Zork.

The work of the revision committee

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on the general basis schedule and the proposed checking office was discussed by Secretary Ludolph.

An amendment to the by-laws was passed, making ineligible for future membership agencies controlled by mortgage loan, bank or trust companies or solicitors affiliated with such organizations. This does not apply to present members in good standing.

Another amendment was adopted to prohibit the granting of licenses to the wife or husband of an agent who has sold his or her business and agreed to stay out of the business for a specified length of time. The meeting tabled the proposed amendment providing that whenever an assured gives a member a written order for fire or windstorm insurance on mortgaged property, any other member writing the business would be subject to suspension.

In the discussion which followed it was held that a note accepted for premium should be considered as a cash collection.

Kentucky Balances Better

LOUISVILLE, Dec. 20.—A number of the Kentucky field men report that the end of the year finds the balance situation far better than in past years, due to the monthly reporting of past-due agency balances, and the fact that there has been marked improvement as a result of this rule as used over the past year.

Move to Clear Agencies

AUGUSTA, GA., Dec. 20.—Local agents of Augusta, long apathetic in regard to the mixed agency situation and non-board competition, are calling a special meeting to consider the matter of clearing of such agencies. The proposal is to follow the same procedure that Sidney O. Smith of Gainesville, Ga., followed some time ago, when he gave up every company which anywhere in Georgia was in the office of a mutual or mixed agent.

Vooris in Texas

C. A. Vooris, assistant secretary of the Yorkshire group, is spending three months in Texas making a survey of underwriting conditions. He will call on each agent of the Yorkshire group in that state.

Would Survey County Insurance

OKLAHOMA CITY, Dec. 20.—The Associated Fire & Casualty Underwriters of Oklahoma City has offered its services to the county commission in assisting in a general survey and analysis of all county insurance. The local board's committee on municipal insurance was also authorized to seek an appointment with the city manager to discuss handling all city insurance through the board or some central organized body.

The annual Christmas party will be held Dec. 23.

Get 14 Out of 15 Prospects

OKLAHOMA CITY, Dec. 20.—In the membership drive being conducted by the Oklahoma Association of Insurors, E. R. Ledbetter and E. W. Clarke, both executive committee members, made a record trip to Chickasha and

Heads New Office for Checking Fire Rates



R. B. COUSINS, JR.

Decision has been reached to set up an office for checking fire rates in Texas at Austin under R. B. Cousins, Jr., formerly chairman of the board of the insurance commissioners of Texas and now secretary of the Texas fire prevention committee. Plans for the organization were completed at a meeting in New York of representatives of companies operating in Texas. Among those at the meeting was Col. William Thompson of Dallas, who is counsel for many companies in Texas.

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Richmond, Va., Inspected

Engineers of the National Board have recently inspected Richmond's water pressure and fire prevention facilities. Both are understood to have been found in good condition.

Closes Princeton, Ky., Branch

J. H. Harrison, Louisville adjuster, has closed the Princeton, Ky., branch office. Those at Bowling Green and Paducah, Ky., are continued.

Southern Notes

John Ryals has sold his interest in the Refugio Insurance Agency, Refugio, Tex., to James Johnson.

Zeke Hilliard has sold the **Hilliard Insurance Agency,** Lockhart, Tex., to W. T. Briscoe, who will continue it under the same name.

The **Louisiana Insurance Agency,** 403 Baronne street, New Orleans, has been incorporated by R. S. Lochte and J. M. Carbine, Jr.

Floyd McChesney, 72, senior member of McChesney, Hill & Co. and for 38 years in the insurance business at Fort Worth, Tex., died there after a brief illness.

Harry Becher has sold his interest in the Becher Insurance Agency, San Antonio, to G. B. Preisman. The agency under the management of G. N. Becher and Mr. Preisman will continue under the old name.

Frank Bell of the Bell, Browder Company agency, Springfield, Tenn., died suddenly from a heart attack. The agency will be continued by J. C. Browder.

E. O. Spencer, formerly secretary of the Mississippi State Fire, and at present a state agent for a casualty company, is critically ill in Jackson, Miss., where he makes his headquarters.

News of Pacific Coast States

Opposition Slate Is Elected

Fred Hohwiesner Heads San Francisco Brokers Exchange—Radical Changes Not Contemplated

The opposition slate, headed by Fred Hohwiesner, has been elected by the Insurance Brokers Exchange of San Francisco. The other "new dealers" are: T. P. S. Brown, first vice-president; A. W. Virden, second vice-president; K. C. Hamilton, Fred Braun and S. G. Buckbee, members of the board; N. J. Birkholm and W. S. French, members arbitration committee. Stephen Malatesta, and H. V. Stockton, defeated candidates for president and vice-president respectively on the regular ticket, remain on the board.

No radical changes are contemplated in the operation of the exchange, according to Mr. Hohwiesner. In view of the pre-election campaign it was felt that numerous changes would be made in exchange practices and operation. This, however, Mr. Hohwiesner denies.

Of the five proposed amendments to the constitution and by-laws, only one was adopted, that of the "regulars" which clarified an ambiguity.

The Christmas party and jinks of the Brokers Exchange will be held Dec. 22, with entertainment furnished by the glee club of the San Francisco Blue Goose.

Carl Henry, Coast Veteran, Dies After Heart Attack

SAN FRANCISCO, Dec. 20.—Carl A. Henry, for 35 years general agent of the Sun on the Pacific Coast, was stricken with a heart attack about noon Monday in his office and died within a few minutes. His death was a great shock to the insurance district, where

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he was extremely popular. In addition to the Sun, his office was general agent for the Patriotic, Michigan Fire & Marine, Knickerbocker, Sun Underwriters and Sun Indemnity, of which companies Mr. Henry was also a director. He was also a director of the Associated Indemnity and Associated Fire & Marine of this city.

A man of many quiet philanthropies, he was an active worker in public movements and at the time of his death was a director of the Golden Gate Bridge District, charged with the task of building a bridge across the Golden Gate. He was considered one of the most successful general agents in the west. He was born in San Francisco in 1874.

Portland Exchange Names Committee to Study Code

PORTLAND, ORE., Dec. 20.—A committee consisting of R. W. Schmeer, chairman; C. F. Milliman, F. H. Burgard, A. J. McCann and H. C. Pownall has been appointed by the Insurance Exchange of Portland to study the proposed NRA insurance code. They will work along the lines outlined by Secretary Bennett of the National association.

Long Beach Board Elects

Charles Malcom of Malcom & Davis was elected president of the Long Beach (Cal.) Association of Insurance Agents at the annual meeting. C. A. Whitchurch is first vice-president; M. R. Berbower, second vice-president, and C. W. Davis, secretary-treasurer. The executive committee is composed of H. M. Hubbard, Lloyd Boivin, Berry Merritt, A. G. Motsch and Roy Cooper.

Thomas Talks on Rates

The last 1933 meeting of the study group of associate members of the Fire Underwriters Association of the Pacific was held in San Francisco Dec. 19, with J. I. Thomas, secretary of District "B" Pacific Board, discussing "Rates." G. E. Townsend, vice-president Fireman's Fund, will speak Jan. 9 on "Underwriting and Reinsurance."

Tax Bill in Oregon

A tax of 2¼ percent would be imposed on gross premiums collected by foreign insurance companies operating in Oregon under a bill introduced at the special session there. The bill also imposes an annual license charge ranging from $25 on fraternals to $150 for fire companies.

Minimum Premium Exception

SEATTLE, Dec. 20.—Filing of an amendment to the present annual premium auto fire and theft rates has been made with Washington department by the American Automobile, providing that an annual fire and theft premium of less than $5 may be charged where the addition of other forms of coverage on the same car results in a total policy premium of $5 or more.

The same company also proposed deviation discounting all fire theft and collision rates on passenger cars 10 percent, but this was rejected.

R. H. Dully Advanced

R. H. Dully, former assistant manager of the automobile department of the T. V. Humphreys general agency, Los Angeles, has been made manager of that department. He was formerly with the Constitution Indemnity, North America and Public Fire.

Pacific Coast Notes

Herbert Reeves, 47, local agent of Montrose, Colo., died there. His father, Maj. A. F. Reeves, with whom he was associated, will continue the agency.

L. H. Peters, vice-president of the Gerlinger-Richards agency in Portland, Ore., for the past 25 years, died of a heart attack.

H. B. Carroll, veteran local agent at Ellensburg, Wash., died at his home. He had been identified with the insurance business in central Washington 30 years.

EASTERN STATES ACTIVITIES

Bergen County Agents Meet

Scott of National Association Talks on Code, Nelson on Cooperation; State Officials Speak

Members of the Bergen County (N. J.) Association of Insurance Agents at their meeting in Ridgewood heard G. W. Scott, assistant secretary National Association of Insurance Agents, outline the history of the code of fair practice idea, from its inception months ago to the present time. Mr. Scott mentioned the desire of the federal administration that each important industry formulate a program for self-government, a suggestion with which the great majority of groups have already complied.

Insurance company officials, maintaining that under the famous U. S. Supreme Court decision in Paul vs. Virginia, insurance is not commerce and hence not amenable to supervision by the national government, refrained from filing a code, other than the basic one governing hours of labor and minimum wage.

When the fair practice code idea was first suggested, Mr. Scott said, agency sentiment generally favored it, the feeling finding expression in the resolution adopted at the Chicago annual convention of the National association instructing its executive committee to draft such a code for filing. Despite this clear mandate, he said, the committee deferred taking such action upon the promise of company officials that machinery would be set up within the business whereby the ends sought by the proposed code would be fully attained.

Up to this time, Mr. Scott said, company officials have not perfected their program, or at least the agents are without advices to that effect, and as a result the demand upon the executive committee for the carrying out of the convention mandate has become increasingly insistent.

Deputy Commissioner C. A. Gough of the New Jersey department, L. A. Watson, official fire rater of the state, and H. B. Nelson, chairman National association's membership committee spoke briefly on advantages of agency cooperation.

Pittsfield, Mass., Agents Are Criticising Fire Department

Local agents at Pittsfield, Mass., are criticising their city for failing to heed their recommendations for improvement in the fire department. The weakness of the fire fighting facilities was brought out in the fire that caused damage to the North Union block last week, the amount being set at $250,000. There were a number of occupancies in the building, there being seven merchants on the ground floor. A. K. Sloper, president of the local board, declared that the city has insufficient fire fighting apparatus and needs more man-power. H. G. Barnes, chairman fire prevention committee of the chamber of commerce, also assailed the city for failing to strengthen the department.

Ryburn Bridgeport President

BRIDGEPORT, CONN., Dec. 20.—James J. Ryburn of the John J. Ryburn Agency, was elected president of the Bridgeport Association of Insurance

Agents at the annual meeting. He succeeds Frederick Kirschner.

E. J. Schofield, vice-president Globe Indemnity, was the principal speaker. Others were H. W. Hatch, New Britain, president Connecticut Association of Insurance Agents; E. J. Cole, Fall River, Mass., chairman executive committee National Association of Insurance Agents; L. F. Whelan, Greenwich, and Mayor Jasper McLevy, Bridgeport.

Reelect Greenwich Officers

GREENWICH, CONN., Dec. 20.—L. F. Whalen was reelected president of the Greenwich Insurance Board at the annual meeting. C. J. Wold was named vice-president and T. J. Glines, secretary-treasurer. Members of the executive board are A. M. Boles, C. W. Carvette, E. L. Tracy, C. H. Dayton and W. W. Louden, all reelected except Mr. Louden, who joins the board for the first time.

The officers will be installed at the luncheon meeting Jan. 11.

Report on Altoona, Pa.

The gross fire loss for the past five years in Altoona, Pa., as reported by the National Board, amounted to $1,455,550, with the average loss per fire $1,434, "a very high figure" and the average loss per capita $3.55, "a moderately high figure." The record includes the $900,000 Pennsylvania railroad shop fire in 1931.

The water supply is from mainly ample sources with single supply lines. Adequate quantities are not available in the congested value district or in sections annexed in 1929. The fire department is undermanned, untrained and deficient in pumping capacity and equipment. The fire alarm system is mainly reliable but inadequate.

In the congested value district, severe group fires are probable. As there is very little private protection, the water supply is inadequate, and the undermanned fire department is untrained and deficient in equipment, such fires might readily spread across the narrow streets and develop conflagration proportions; similar fires are probable in most other districts.

Ground Floor Agents

Three of the leading fire and casualty agents in Burlington, Vt., are in prominent ground floor locations. These are the Allen Insurance Agency, Howard A. Allen, manager; Hickok & Boardman, I. Munn Boardman, manager, and the T. S. Peck Insurance Agency, J. E. Traill, manager.

Tax Unlicensed Premiums

CHARLESTON, W. VA., Dec. 20.—The West Virginia house has passed a bill providing for a 20 percent tax on insurance premiums paid to carriers not licensed in West Virginia. The bill is now before the senate. The measure will affect several large wholesalers and retail stores that now carry their insurance in companies not licensed in the state.

Motor Insurance Events

Departments Are Coordinated

The automobile departments of the fire companies of the Home group and of the Home Indemnity have been brought together in the same location at the home office. This arrangement is expected to insure proper coordination of efforts and avoid former duplication. The joint policies are now underwritten in the single automobile department and only one daily report for home office records is required. Accounting matters will be handled through the one point for both companies.

Agents who report their joint automobile business through general agents or department offices will now send only two daily reports to the general agent instead of three as formerly.

Thefts Despite Registration

OKLAHOMA CITY, Dec. 20.—Issuance of certificates of title, for which owners pay $1 each, has failed to curb automobile thefts in Oklahoma, and the annual loss is estimated at $250,000 by R. A. Hopper, chief of the title division of the state highway department. According to his estimate, 85 percent of stolen cars will be ultimately recovered and the average value of recovered cars was placed at $400. The number of 1933 thefts is estimated at 1,400.

Honor Paid A. J. Donohue

NEW YORK, Dec. 20.—To evidence their appreciation of the service rendered by A. J. Donohue, actuary of the National Automobile Underwriters Association for a number of years, and regret at his intended severance of the post on Dec. 31, members of the Automobile Underwriters Club of this city tendered him a dinner Thursday evening. Mr. Donohue resigned to embark in the agency business, having been elected vice-president and treasurer of the long established office of W. S. Haff & Co. of this city.

H. F. Roden Is President

H. F. Roden, Commercial Union, has been elected president of the Canadian Automobile Underwriters Association. The first vice-president is L. C. Evans, London & Lancashire, second vice-president is E. J. Kay, North British & Mercantile.

The association decided to extend the "no claims bonus" in Quebec province, adopted last April, to a full merit rating plan as now operative in Ontario, which means a 10 percent discount for one year clear record, 15 percent for two years, and 20 percent for three years. It was also decided to boost the special charge for passenger guest coverage from 50 cents to $2.

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Connecticut Day Is Great Success

(CONTINUED FROM PAGE 5)

cost to the assured consistent with safety, it promotes sound contractual forms and by increasing the volume of business it spreads the risk among larger numbers, stabilizing underwriting.

In paying tribute to agents and the business, Mr. Dunham said that the public, once inclined to dodge insurance agents, today welcomes them. "Insurance has withstood the depression better than any other business and this fact has served to convince millions of people that insurance is among the safest things in the world as well as among the best investments."

Business on Upgrade

Dr. S. S. Huebner, University of Pennsylvania, declared that business is definitely on the upgrade. A depression usually holds sway for four and a half years, he said, and the present one, which has lasted four years and one month, has about run its course and burned itself out. The major portion of Dr. Huebner's talk was devoted to life insurance. At the forum which he conducted at the afternoon session, Mr. Huebner said it is not necessary to inflate to get out of depressions as they burn themselves out eventually and outward acts of government have no major influence upon the trend. An appreciable rise in commodity prices does not take place until 18 months or two years after devaluation, he declared, citing the experience of France.

Dr. Huebner predicted that fire and casualty companies will alter their investment policies in the future, place a smaller proportion of their funds in bank and common stocks.

Short Luncheon Talks

At the luncheon short talks were given by A. T. Keeler, comptroller of Connecticut, State Senator A. E. Lavery, vice-president of the Connecticut chamber of commerce, and W. L. Mooney, vice-president of the Aetna Life. Mr. Keeler praised the insurance business of Connecticut as a source of stable employment. He called attention to the high standard of insurance supervision in the state and said that Connecticut believed in adequate appropriations for its insurance department. Senator Lavery expressed the good will of other Connecticut business interests towards insurance. Mr. Mooney, in the absence of President Morgan D. Brainard of the Aetna, welcomed the visitors.

Inspirational talks were given by F. B. Haggard, pastor of the Asylum Street Baptist Church, who said that success depends fundamentally on character, and by Rabbi A. J. Feldman, who urged more social justice in business relations.

Rules, Forms Published for Insuring of C.C.C. Corn

(CONTINUED FROM PAGE 6)

cated in risks not on farms, such as elevators. This is special corn form No. 2, the 100 percent coinsurance clause must be used and a specific description and location of each risk shall be indicated. The fire and lightning rate is the published fire rate on contents, with credit, if any, for use of the 90 percent coinsurance clause. If the policy covers in two or more buildings or two or more fire divisions, the rate shall be the highest net contents rate, after deducting credit, if any, for the 90 percent coinsurance clause under the specific form of policy.

Tornado and Hail Rate

The tornado and hail rate is the published tornado and hail rate with the same provision.

Then there is the special corn endorsement, which provides the basis of adjustment in case of loss on corn pledged under the loan plans of the CCC, which may be attached to the regular fire or tornado policies where it is desired to protect the loan interest plus accrued interest at 4 percent, in cases where the lending agencies desire to continue the insurance with local agents.

This special corn endorsement provides that in the event of loss, the basis of adjustment is the actual cash value at the time and place of loss, except if the cash value is less than 45 cents per bushel plus accrued interest at 4 percent. In that event, the value shall be deemed to be 45 cents per bushel plus accrued interest. That is the amount which the CCC is lending on corn.

Preserved For Agents

A representative of the subscribers' actuarial committee and Paul L. Haid, president Insurance Executives Association, went to Washington to discuss with officials the corn insurance question. They desired to make arrangements that would tend to preserve the business for the local agent and that would prevent rate competition.

So far as can be learned, most of this business is coming through local agents, much of it from agents in the larger centers where the banks are making the corn loans. These are attractive investments for the banks that are looking for outlets for their money. Four percent interest is attractive today and the big banks are taking advantage of the opportunity.

The Western Actuarial Bureau sidestepped the question of conversion and/or theft coverage on the corn. They merely pointed out that this coverage is not included in the standard fire or tornado policy and consequently no recommendations are made. The report is that some of the fire companies are including this coverage, together with other secondary coverages such as flood, etc. Possibly the marine facilities are being brought into play in granting such insurance.

Inasmuch as forms No. 1 and 2 are in effect monthly reporting forms, the question of pro rata or short rate cancellation is not involved. In effect, cancellation is prorate.

The rates that are promulgated are very close to the prevailing rates for the special grain policies, except that in these new forms, the rates are expressed in terms of so much per month.

Under forms No. 1 and 2, liability attaches only when negotiable farm warehouse certificates are issued or assigned to or endorsed in blank and delivered to the named assured or deposited in the United States mails for the insured.

Liability ceases in the event of any sale, assignment or delivery of the corn or the loan is secured to the Commodity Credit Corporation or to any other interest. It is the intent only to cover the insured on the corn so long as he is the owner of the loan.

Under form No. 1, the corn must be held on a tract of land containing more than three acres and used for farming purposes.

Under form No. 2, the corn may not be situated on a tract of land containing more than three acres.

The chances are that the CCC will not designate brokers to handle insurance on corn, as was done in the case of cotton. Most of the loans on corn will be made through banks and these institutions will probably place their own insurance. Then again, the insurance on corn will go to individual companies rather than to a pool.

Connecticut Day Sidelights

George E. Turner, president of the First Reinsurance, made an ideal chairman of the Connecticut Insurance Day program. He had a happy introduction for each speaker. When he called on Commissioner H. P. Dunham of Connecticut, for instance, he said, "Flock, your shepherd." His comments were pithy, carried a tang of humor, and were always appropriate. Here is a Turner sentence worth remembering: "The only man who has no interest in insurance has no property, no family, no obligations and no hope."

* * *

The **Aetna** building provided a delightful place for conducting an efficient convention. A Christmas tree and seasonal decorations in the auditorium added a pleasant holiday atmosphere.

* * *

A large and notable gathering of **Hartford executives** was present. Connecticut Insurance Day probably brings together more company men of this insurance city than any other event.

* * *

James L. Case, chairman of the program committee, was congratulated on maintaining a program of very high quality in spite of a number of last minute changes. There was great disappointment over the absence of Superintendent G. S. Van Schaick of New York, accompanied by a sympathetic understanding that the guaranteed mortgage problem which is also his, as a state official, was monopolizing his time and attention.

In-One-in-All Rule Now Becomes Dominion Wide

The plan of causing companies writing fire and casualty business in Canada to be members of all tariff organizations or of none is now Dominion-wide in its scope. This program is to be put in effect in eastern Canada and the maritime provinces March 1. This was decided at the recent meeting of the Canadian Fire Underwriters Association and of the Canadian Casualty Underwriters Association and Canadian Automobile Underwriters Association in Toronto. The same rule is in effect in western Canada.

This is commonly known as the "in-one-in-all" rule. Some time ago the Canadian Fire Underwriters Association adopted the rule, but took no step towards enforcing it. A definite date for its enforcement has now been set by all the associations.

A few companies in Canada have been tariff in the west, but not in the east, or in fire but not in casualty lines, etc., and they will have to follow tariff or non-tariff lines entirely.

In conjunction with this move is the one recently reported, whereby the Canadian Casualty Underwriters Association transfers jurisdiction over casualty lines in the west to the corresponding western body.

» » » INSURANCE « « «

» » » SALESMANSHIP « « «

THE first principle of success is the will to do. The second is adequate preparation for the task to be accomplished.

Of course each is modified to a certain extent by a man's native ability, but, other things being equal, the ambitious, well-prepared salesman will far surpass the one who travels in a rut.

The Ætna's Educational Facilities

The Ætna, in establishing a constructive program of sales preparation for its producers, is actuated by two motives: (1) That its representatives may enjoy the greater success that is the reward of the well-trained insurance man and (2) That its policyholders may have the benefit of sound advice and intelligent service.

Foremost of the Ætna's casualty and surety educational enterprises is its sales course presented at frequent intervals at the Home Office at Hartford. Here under the leadership of capable, experienced instructors the students are given five weeks intensive training. New men are given a grasp of the business that otherwise would take them years of experience to obtain and seasoned producers gain much added knowledge and enthusiasm which stand them in good stead when they return to their respective fields of work.

Every one of the hundreds of Ætna-izers who have completed this course at the Ætna's Home Office feels more than repaid for the time, money and effort expended. Their production records give tangible evidence of results and their letters tell of their increased confidence in being able to cope with any insurance problem.

THE ÆTNA'S *Casualty and Surety* SALES COURSE

Schedule for 1934

January 8th	to	February 10th
February 26th	to	March 31st
April 16th	to	May 19th
May 28th	to	June 30th
August 6th	to	September 8th
September 17th	to	October 20th
October 29th	to	November 28th

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THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT

The National Underwriter

December 21, 1933 CASUALTY AND SURETY SECTION

H. & A. Conference Meeting Dates Set

Executive Committee Decides on June 18-20 as Time for Chicago Session

REVIEW TODAY'S ISSUES

Vital Problems in Every Department of Business Discussed in Round Table Talks

An unusual series of round table sessions, at which present day problems in the various departments of accident and health insurance were discussed frankly and freely, was conducted in connection with the mid-winter meeting of the executive committee of the Health & Accident Underwriters Conference in Chicago. About 40 representatives of conference companies were present and took part in these round tables.

The executive committee fixed June 18-20 as the date for the annual meeting, which is to be held at the Edgewater Beach hotel, Chicago. Ray S. Hills, Massachusetts Bonding, was elected a member of the executive committee to succeed P. H. Rogers of that company, who left it recently to go with the Aetna Life.

Discussion of Grace Periods

The question of grace periods in accident and health policies took a prominent place in the discussions as the result of the Pacific Mutual Life's decision to grant 31 days' grace on all its commercial accident policies. The discussion developed that only one or two of the companies represented allow any grace period on commercial business, although several allow ten days' grace on monthly premium policies. It was stated that this provision is included largely because of the fact that it is impossible for the monthly premium agent to collect all of his premiums on the first of the month, when they are theoretically due.

One company, which allows 14 days' grace on quarterly premium or semi-commercial policies, adopted that time limit so that it will be possible to get out a second notice to delinquents and receive a reply, even if the policyholders are three or four days' mailing distance from the home office. If a grace period is allowed, it was pointed out that the provision should be so worded as to require payment within the grace period in order to continue the policy in force for that period.

Reduction at Older Ages

The grace period question was brought up in the general discussion on policy provisions, in charge of W. T. Grant, Business Men's Assurance, which also included the question of life-time indemnity and the value of the provision for reduction in indemnity for older ages. Lifetime indemnity seemed to have no

(CONTINUED ON PAGE 32)

Premium Being Placed on Companies' Conservatism

By GEORGE A. WATSON

NEW YORK, Dec. 20.—Twelve months ago in the course of a broad survey of conditions existing in the casualty underwriting field at the time, it was said in part: "Companies of the well managed type that have carried on their business in a conservative way are emerging in fairly good shape from the cataclysm through which they have passed and which is still at hand." With equal truth and greater emphasis the same holds at the present time, for by and large the continuing casualty offices have their affairs in better shape than at the close of 1932, and the feeling of optimism now is more pronounced than 12 months ago. Several companies whose methods of operating were questionable have been forced into liquidation, considerably clarifying the atmosphere and making easier the progress of institutions managed along sane, orthodox lines. These latter, by virtue of the stress and strain to which they, in common with business institutions in all major lines were subjected during the years 1929-32, have rigidly overhauled their underwriting and financial departments, bolstering disclosed weaknesses, with the result that they now face the future more confidently than for some time.

Expect Premium Reduction

While it is, of course, anticipated that aggregate premium income for 1933 will fall short of last year, just as 1932 receipts were materially less than those for the preceding 12 months, the extent of reduction will not be known until all statements are available.

Because of unsatisfactory loss experience on workmen's compensation for many years, carriers have greatly curtailed their writings of the line. In the opinion of some underwriters, certain offices have gone to the extreme in this direction, so restricting acceptances as to make it difficult for agents properly to protect clients and thereby greatly limiting the value of companies to their representatives.

As a general proposition companies writing compensation seek to hold the income from the line to about 20 percent of total premiums from an agency; insisting upon a proper percentage of the more desirable classes of business. Premiums on compensation risks run into far higher figures as a rule than those on other classes of casualty business, and the value of a company to an agency is gauged to a considerable degree upon its willingness to write compensation risks with some liberality.

Reasons for Optimism

Whether compensation insurance ever can be brought to a point where premiums will equal expense and loss outgo is a question. Some company officials consider this prospect hopeless, while others are sanguine that it may be done, offering as a reason the increased payroll returns that may reasonably be looked for next year in consequence of added industrial activity. Over 4,000,000 workers regained employment since midsummer, and payrolls have increased 60 percent in the same period.

Again, it is offered that with added employment juries and industrial commissions will not be so free in awarding damage verdicts to injured employes as heretofore; particularly when they realize the plight in which the Ohio and other state funds now find themselves because of the great loss drains to which they have been subjected.

These facts, moreover, it is said, should impel state commissioners to view more sympathetically than hitherto the appeals of underwriters for increased rates. If such be the case and if labor employers realize that their industries eventually bear the cost of accidental injury to employes more intelligent and persistent attention will be paid to accident prevention.

The National Bureau of Casualty & Surety Underwriters has been intensively studying the formulation of a revised program for rating compensation risks. The work has not been completed but there is conviction that when it becomes effective a distinct upward gain in the method of writing this great premium producing class will result.

Liability Losses Heavy

In the division of general liability insurance, loss experience has been severe, a condition attributed in large part to the unsatisfactory status of real estate, notably buildings heavily mortgaged that have been taken over by mortgagees. These latter, intent mainly on salvaging whatever possible upon their investment, have held structural repairs to a minimum, increasing the accident hazard. Injured persons, even in trivial cases, have been prompt to demand liberal damages. Here again with increased employment and through financial aid extended building owners and mortgagees by federal agencies, improvement in the accident hazard may be looked for.

Second only to workmen's compensation as a premium producing line, automobile public liability and property damage coverage promises to yield a modest profit to carriers this year. While the return is not likely to be anything to jubilate over it is heartening in that it means placing the line on a more promising basis than for a number of years prior to 1932, when the companies writing the business lost heavily on it.

Factors Helping Experience

The better showing expected to be made in 1933 is attributed to a lessening of road congestion, many cars having been laid up because of the depression; a growing safety consciousness generally, and more rigid enforcement of high-

(CONTINUED ON PAGE 32)

Two Big Companies Quit Compensation

Commercial, Metropolitan Casualty Announce Discontinuance of Losing Line

CITE HUGE LOSS RECORD

Will Also Withdraw from Employers' Liability Field—Bulletin Is Issued to Agents

NEW YORK, Dec. 20.—Discontinuance of workmen's compensation and employer's liability insurance by the Commercial Casualty and Metropolitan Casualty has been announced in a bulletin to agents signed by Neal Bassett, chairman of those companies, and H. S. Landers, president.

"After mature consideration," the bulletin states, "this company has determined to cease underwriting workmen's compensation and employer's liability, and you are therefore instructed to immediately cease accepting for our account the classes named."

This news was a sensation in insurance circles. The Commercial and Metropolitan have contemplated this action about four months. The announcement is not only a source of concern to producers who have placed business with those companies, but it caused others to wonder whether this might not be a forerunner of similar action on the part of other companies.

Deemed a Social Problem

Mr. Bassett is reported to have come to the conclusion that compensation is a social problem, that it is unfair to expect stockholders of insurance companies to continue to carry the burden and that the sooner the states take over the responsibility the better.

The compensation situation has been getting more and more tense. A number of companies in the last few weeks have been canceling compensation policies in wholesale fashion. R. W. Miller of Conkling, Price & Webb, Chicago, at a meeting of the Illinois Association of Insurance Agents in Rockford recently announced he had information that two casualty companies were intending to quit compensation this month. That statement greatly disturbed the field and served to impress many in the business that a crisis was near.

Metropolitan's Experience

The Commercial Casualty in 1932 reported compensation premiums of $1,716,256 and losses paid of $1,559,571 or a loss ratio of 91 percent. In 1931 its loss ratio was 88 percent, in 1930, 87 percent, in 1929, 75 percent.

The Metropolitan Casualty reported compensation premiums in 1932 of $1,427,450 and losses of $1,533,365 or a loss ratio of more than 100 percent. In 1931 the loss ratio was also more than 100

(CONTINUED ON PAGE 32)

Effect of "New Deal" on Accident and Health Told

PROSPECTING PRESENT NEED

J. E. Powell, Provident Life & Accident, Tells Chicago Men Proper Cultivation Will Bring Abundant Harvest

The importance to the accident and health salesmen of effective prospecting was emphasized in an address given before the Accident & Health Club of Chicago by J. E. Powell, manager accident and health department Provident Life & Accident. He declared that the salesman who has exhausted or depleted his prospect list is in the same position as the man who is living off his capital.

Taking as his topic, "The New Deal and What It Means to the Accident Man," he said it is generally conceded that lapses are smaller and collections better, but new business is "tough" and likely to continue so for a time at least. If the recovery efforts now under way succeed in recapturing the 1926 level, he declared, it would do no good to many agents for six months at least, because they have neglected their prospecting.

Result of Much Preparatory Work

The farmer sows the seed and cultivates the ground, and then has to wait some months before he harvests a crop. There is not the same definite interval in accident and health sales, but they are just as certainly the result of much preparatory work. "A healthy prospect list is needed," he continued, "before there can be a healthy volume of sales. Even in a good month, how many sales are made on the first interview? Many more of them are the result of advance preparation. If I want 100 extra applications sent in to the home office for a certain month, there are certain agents that I would call on, because I know they have a reserve of prospects on which they can draw.

"Many agents nowadays have practically liquidated their prospect lists. The man who no longer has an adequate prospect list is like the one who is living on his capital. As a matter of fact, most first interviews nowadays yield prospects rather than sales.

"One of the aims of the 'new deal' is to establish the average man's right to more abundant living. That certainly means protection against the ravages of accident and illness. The aims and ideals of income protection go hand in hand with the new deal.

Lapses Big Prospect Field

"The best figures available indicate that one-third of the business in force four years ago has lapsed. Most of these people did not drop this protection because they disliked it, but simply because they couldn't pay for it. This field alone furnishes enough prospects to keep agents busy for months. Of course the man who hasn't paid his grocery bills for two years isn't going to spend his first dollar for insurance. Food, shelter and clothing will be given first attention, then the liquidation of indebtedness and next after that protection for the future. The agent who will sell it is the one who has been contacting him, knowing that there would be no immediate sale but preparing for the future.

"I believe that 1934 will be a good year for accident and health insurance. For the agent who puts in eight hours every day, doing a good job of planting and cultivating, the harvest will take care of itself."

Mr. Powell praised the development of local clubs and expressed the belief that accident and health sales congresses and similar gatherings had done more than any other factor to put the business on a higher plane. He extended an invitation to all present to attend the convention of the National Association of Accident & Health Managers, of which he is secretary, in Cleveland next June.

Central Audit Bureau Idea Criticised

In view of the suggestion that is made from time to time that a central audit bureau be created for compensation, the following communication on the subject from a man, who identifies himself only as "payroll auditor" is interesting:

"There have been so many suggestions handed down through your publication lately regarding compensation insurance and how to handle it by various so called experts on insurance, that I thought I would offer my views on the subject. I have been a payroll auditor for 13 years and am handling the state of Michigan for a large insurance company, auditing compensation, various forms of liability and burglary.

"I note in your recent issue an article suggesting that compensation audits should be made by a central audit bureau.

Not Entirely Practical

"This might work all right with the small companies having only a few audits per month in each locality but for a company having a large volume of business in a city for instance where a company auditor is kept constantly busy it would be foolish to even consider it.

"There is not one auditor in a hundred that knows how to make an audit on a burglary loss.

"On some of the so called pet risks it is necessary to call the assured and make an audit at his convenience, which might not be handled in a diplomatic manner by a central audit bureau, but a company man cannot irritate an assured by insisting on an immediate audit, thereby losing the assured's business and the agent's patronage in some cases.

"The companies are very careful in protecting their expiration lists, treating this as strictly confidential, and an unscrupulous agent with a long list of expirations would at least have something to work on. A central audit bureau would have a complete list of all compensation expirations with the published or modified rates as the case may be.

"Most companies have some risks written below manual to control other lines more profitable and in some cases this is a confidential piece of business to the mutual benefit of those most concerned.

"I am willing to gamble that a central audit bureau will not work and the companies will not adopt it."

The following communication is from Albert E. Smith, certified public accountant of Baltimore:

"During the course of my experience in payroll auditing, I found that there is a strong tendency among the assureds to keep no payroll records at all and merely furnish the auditor with a verbal statement which cannot be substantiated by the records, or submit a record of payroll but refuse to show the books of original entry so that the figures submitted might be verified. Of course, there are numerous ways in which the assured might falsify his records so that even after a close examination, the correct payroll could not be ascertained. Under any circumstances, if the premium involved is large enough to justify it, an extensive and costly investigation would most likely bring the true figures to light.

Where Premium Is Small

"However, the above evils occur in a large measure, where the premium involved is too small to justify such an investigation. In such cases, the payroll auditor is at the mercy of the assured. The only reasonable weapon the carrier might use is to cancel the risk or refuse to renew it.

"My suggestion is to clothe the payroll auditor with authority such as is possessed by a field auditor in the internal revenue bureau. Here, if the taxpayer has failed to keep proper records, the auditor usually determines to his own satisfaction, by obtaining information from various sources, the amount of the tax to be assessed. The burden of proof then is on the taxpayer to disprove this assessment.

"I feel quite sure that if the payroll auditor were possessed of authority such as this, there would be less laxity on the part of the assured to keep not only payroll records, but books of original entry to substantiate them."

Grand Juries Take Action on New Jersey Auto Rates

NEWARK, Dec. 20.—The Hudson county grand jury has recommended to the New Jersey legislature that an investigation be made into the automobile liability insurance situation in Hudson county. The jury, in making its recommendation, based its request on the fact that the jury had considered 750 cases and returned 337 indictments in automobile accidents and that 70 percent of the cases considered were uninsured.

The grand jury pointed out the fact that there is something radically wrong, either the insurance rates are too high or else the auto driver is unmindful of the safety of the public in general.

In Union county, the grand jury has recommended that the state pass a law which would make it compulsory to have every automobile inspected three times a year at a nominal fee, thus insuring the safety of the public and with a possibility of lower automobile liability rates.

It has been pointed out by casualty men that the agitation for lower liability insurance rates has been started in a rather peculiar way—through the request of grand juries—and it is the consensus of opinion that recommendations coming from this source may have a more forceful effect than if they came from some civic organization.

Hewitt's Place in National Surety Taken by McCall

Ballard McCall, who has been connected with the National Surety since 1897, has been appointed secretary succeeding H. J. Hewitt, who died recently. He held the position of secretary many years ago, but later became confidential assistant to W. B. Joyce, who was president and later chairman of the National Surety.

When the new National Surety was created, Mr. McCall served as general assistant in connection with readjustment of personnel and offices.

He is a son of the late John A. McCall, long president of the New York Life and chairman of the board of the National Surety for a time.

Cover Disbursing Agents

A large number of bonds have been placed in the last week covering the disbursing agents of the Civil Works Administration. These persons are located in the various towns where C. W. A. funds are being used to finance the employment of relief workers by municipalities and other political subdivisions. They are in charge of disbursing the C. W. A. funds. Some companies are declining to write these bonds at all and most companies require that they be submitted to the home office. Some of the companies fear that the C. W. A. eventually may become decentralized and if so the sureties would be faced with a chaotic situation.

Problem of P. L. and P. D. Cover on CWA Employes

UNNECESSARY, U. S. RULES

Despite Bulletin From Washington, Many Political Subdivisions Are Still Requesting Insurance

In view of the fact that men employed with funds furnished by the Civil Works Administration are deemed to be federal employes, the CWA has issued a bulletin stating that property damage and public liability insurance covering the operations of these workers is unnecessary. This is contrary to an earlier impression in insurance circles that the government was requiring that public liability and property damage be carried.

The casualty companies are continuing to receive, however, requests from municipalities and other political subdivisions, which are employing CWA workers, for property damage and public liability coverage. Of course, there is a possibility, that the mere say so of the CWA that these workers are federal employes, might be upset in the courts and the political sub-division, to which the CWA men have been assigned, would be found liable.

Transportation of Workers

There have also been requests for coverage to protect truckmen and political sub-divisions in the transportation of workers to the place where CWA work is in progress. Until these men are put on the job, they are apparently not regarded as CWA workers and the responsibility for their welfare is that of the municipality or the truck driver. There have been a number of serious accidents, in which the conveyances in which the workers were being transported to the job, have crashed and the prospective CWA workers have been injured and killed. This insurance is being turned down by most companies.

There is the possibility that the governmental subdivision in charge of supervising and directing the activities of CWA workers might be held liable bevause of improper direction or supervision. Again, there is the possibility that a group of CWA workers might be on the same job with regular city employes and if a CWA worker were injured by one of these employes, he might decide to sue the municipality instead of relying on compensation from the government for his injuries.

Another problem that the alphabetical organizations have produced for casualty companies is the writing of compensation insurance for contractors on projects under the Public Works Administration. Although most of the contractors would prefer to use regular, experienced employes, the various political subdivisions are bringing pressure to bear to cause them to put on relief workers. Some of the contractors have promised the casualty companies that they would use only regular employes, but the pressure became so great that they were forced to use some relief men. This opens up the whole problem again, as the casualty companies want to keep clear of any risks in which the relief worker problem is involved. Most of these relief workers are soft and lack experience. They are accident-prone and the casualty companies want nothing to do with them.

Fidelity, Surety Appointment

The American Surety has appointed H. V. Boyer, H. E. Reilly and R. G. Seiler, at 475 Fifth avenue, as general agents in the mid-town section of Manhattan for fidelity and surety bonds.

Hearing in the case brought by the state of Wisconsin against the Wisconsin Auto Protective Association to prevent further operation as an insurer, has been postponed to Dec. 22.

Montana Commissioner Hits at London Lloyds Activity

CITES LAW OF THE STATE

Requests Bank Superintendent to Dissuade State Banks from Patronizing Unadmitted Underwriters

HELENA, MONT., Dec. 20.—Commissioner Holmes, in a communication to the superintendent of banks of Montana, requests the cooperation of the banking department in preventing state banks from securing bonds in London Lloyds. Mr. Holmes stated that he is taking the question up with the federal bank examiner and the comptroller of the currency insofar as federal banks are concerned.

London Lloyds is not authorized in Montana and under section 6219, RCM 1921, persons aiding in the transaction of business with London Lloyds are amenable to a fine of $1,000.

Section 6212, RCM 1921 prohibits London Lloyds from transacting business until it has appointed the commissioner of insurance as attorney for the acceptance of service and process and section 6210, RCM 1921 prevents companies from transacting business within the state except upon complying with the laws of the state. London Lloyds, Mr. Holmes points out, has made no such compliance.

The superintendent of banks is requested to acquaint bank executives with the provisions of this code, so that they will not unknowingly be subject to its penalties.

NEW ILLINOIS OPINION

The law firm of Hawxhurst & White of Chicago, which prepared an opinion some time ago in behalf of several surety people, to the effect that under the Illinois law a cash deposit is required of London Lloyds, has submitted a second opinion to Insurance Director Palmer of Illinois. Although this opinion has not been released, the presumption is that it takes issue with any arrangement, by which the Underwriters at Lloyds would be permitted to build up the $250,000 deposit, which Mr. Palmer is demanding, by instalments.

YANCEY TAKES A HAND

BIRMINGHAM, Dec. 20.—President G. W. Yancey of the International Association of Insurance Counsel is preparing a letter to his membership setting forth the need for organized effort to offset the growing competition of London Lloyds with surety companies. He favors amending the federal statutes so as to compel national and federal reserve banks to insure in admitted companies. He sets forth his belief that Sec. 24 of Title 12 of the U. S. C. A., entitled banks and banking, affects only banks which are going concerns and an amendment is necessary to take care of cases in which receivers are appointed for national banks, which carry Lloyds coverage.

The first number of the "Insurance Counsel Journal" to be published in February will probably have a review of the Lloyds situation.

SEXTON & CO. ACTIVE

A stir has been caused in South Dakota and Oregon because of the activities of the Charles W. Sexton & Co. agency of Minneapolis and Portland, Ore., in offering to members of the bankers' associations in those states a limited form of London Lloyds blanket bond and circularizing these institutions with strong endorsements of the coverage from secretaries of the bankers' associations. The National Association of Insurance Agents has become aroused particularly because of what was written by G. A. Starring, secretary of the South Dakota bankers' association, "Many of our banks will find it advantageous immediately to cancel their bonds and burglary and robbery policies."

A sample contract that is enclosed in circulars to the banks, bears the statement "Approved by the American Bankers Association." J. E. Baume, secretary insurance committee American Bankers Association, is reported to have challenged the authority of Sexton & Co. to make this statement.

The National Association of Insurance Agents has protested to Sexton & Co. because of the overhead writing. R. R. Gilkey, secretary of the Surety Association of America, has been accumulating much data on this case and the subject will be brought up before the annual meeting of the association.

Use of $50 Deductible on Fleet Risks Is Advised

Use of the $50 deductible property damage coverage on automobile fleet risks is recommended by Assistant Manager Hasselwander of the Travelers. He tells of a risk in Rochester which had carried a debit as high as 18 percent on public liability and 49 percent on property damage. By introduction of the $50 deductible, the risk is enjoying an 18 percent credit for public liability and a 28 percent credit for property damage.

The employer told the chauffeurs of the deductible coverage. The saving made by the purchase of this insurance was set up in the form of a bonus and the chauffeurs were told that all losses up to the first $50 were to be taken care of out of the bonus and if the entire amount of the bonus was exhausted, the chauffeurs would then have to pay that portion of the loss up to $50.

At the end of the first policy period $110 was all that had been paid out of the bonus and there was a good amount available for distribution among the chauffeurs.

Report Medical Control of Occupational Diseases Vital

Without some form of medical control of silicosis and other dust diseases, such as is found generally in Europe but not in the United States, the management of compensation for such diseases would be difficult, it is stated in a report of the committee on pneumonoconioses of the American Public Health Association being distributed by the Association of Casualty & Surety Executives.

Four methods are employed in various parts of the world for including silicosis and other pneumoconioses as compensable diseases: 1. By implication from general wording of workmen's compensation acts regarding injuries covered; 2. by listing in a schedule compensable occupational diseases covered; 3. by a clause in the law providing for special schemes to be drawn up for compensation of silicosis; 4. by special act.

In European countries strong emphasis is placed on prevention. Measures to reduce dust at the source are the most important factor. If they are not taken, claims will become increasingly frequently as early stage cases progress to stages of disablement. The report states that without such control, financial relief must be regarded only as a palliative.

Cullom, Lambert Advanced

C. F. Cullom, formerly assistant manager contract bond department, Maryland Casualty, has been promoted to bonding department manager in the St. Louis branch office. L. S. Lambert has been advanced in the home office to fill the vacancy.

Virginia Commissions Cut on Auto Casualty Business

MAXIMUM NOW 20 PERCENT

General Agents Get That Figure, Regional Agents 16 and Producers Reduced to 15 Percent

NEW YORK, Dec. 20.—In view of the recent decision of Virginia corporation denying the application of the casualty companies for an increase in automobile rates in the state, and limiting the acquisition cost allowable under automobile insurance after Jan. 1 to 20 percent, companies and agents operating in that state have been advised by J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters and chairman of the conference on acquisition and field supervision cost for casualty insurance, that hereafter the commission scale for public liability and property damage coverage will be 20 percent to general agents and branch offices; 16 percent to regional agents and 15 percent to producers.

Agreement With Fire Companies

Some years ago the casualty companies concluded an arrangement with the fire offices under which the latter were to have exclusive jurisdiction in determining "coverage, rules, rates and commissions for automobile collision insurance," with the understanding that the casualty companies would not give broader coverage, depart from the rules, charge lower rates or pay higher commissions than the fire companies. Similarly under the agreement the casualty companies were to have like authority over property damage coverage. In view of this arrangement as well as the order of the state commission, it is expected all classes of carriers will conform to this commission scale.

Feel Teeth of Michigan Law

LANSING, MICH., Dec. 20.—The Michigan financial responsibility law has already been applied in the cases of about 250 motorists, according to L. J. Morony, in charge of its enforcement. There have so far been no cases of revocation of driving license and operating permit for the car due to an unpaid civil judgment, Mr. Morony said. Such judgments must have been outstanding for 30 days before the law may be applied and there has been insufficient time elapsed to develop any of these cases. Those to feel the teeth of the law, so far, have all been violators of the motor vehicle laws, convicted of offenses requiring suspension of driver's license. In such cases the motorist, though still under suspension personally, may release his car for use of his family or associates by obtaining insurance or some other proof of responsibility.

Court Disagrees on Reason

LANSING, MICH., Dec. 20.—Dividing a supreme court three ways, with one justice absent, is quite a record for what looks like a simple compensation claim. Ernest Lindsey was making his rounds of grocery stores as a cheese salesman in a truck furnished by his employer. Ordinarily he drove the truck himself, but one day when a companion was driving there was an accident and Lindsey was killed. The Michigan compensation board denied a claim for compensation on the ground that he had abandoned his duty of piloting the truck, apparently attaching no weight to his duty of making the rounds as a salesman. On appeal to the supreme court four of the judges ruled in favor of compensation, but disagreed on the reason. Three dissented on the ground that Lindsey had not met with an accident "arising out of his employment."

Van Schaick Orders Cut in Rates for Bank Fidelity

Instead of approving increased bank fidelity rates, as called for in a filing by the Towner Rating Bureau, Superintendent Van Schaick of New York has directed that rates be decreased. An increase, he contended, was not warranted by the New York experience. Higher rates are justified by countrywide experience, but New York state results have been favorable.

New Jersey Special Deposit Bill Has Been Scotched

NEW YORK, Dec. 20.—To the satisfaction of casualty underwriters the measure calling on all companies operating in New Jersey to deposit with the insurance department securities covering the aggregate of their reserves for all compensation losses in the state at the close of each year, and at an assumed rate of interest not to exceed 3½ percent, has been shelved, for a time at least. Had the bill been enacted into law, and under the retaliatory provisions of many states the carriers been compelled to make similar deposits in each, it would have meant either the retirement of the companies from the compensation field in New Jersey, or the dismemberment of the business.

Combat State Bonding Bill

DENVER, Dec. 20.—In an effort to defeat the state bonding bill introduced in the special sesion of the Colorado legislature, its opponents have introduced a bill intended to solve the complications resulting from the delay or failure of state and county officials to obtain surety bonds. The new bill provides for the designation of depositories for county funds by county boards and exempts them and the county treasurers from liability in the event of loss of funds on account of the default or insolvency of depository banks.

Gibraltar Extends Territory

DENVER, Dec. 20.—The Gibraltar Life & Accident, affiliated with the Colorado Life, has been entered in Tennessee and South Dakota. C. W. Beale, who has been manager for Arkansas, will have Tennessee added to his territory, with headquarters hereafter in Memphis. Herman Bollen, manager for Wyoming for some time, will cover South Dakota as well.

Medical Plan for Unions

The Missouri Indemnity Association, also known as the "Union Polyclinic," has opened offices in the Fullerton building, St. Louis, and plans to provide medical care for members of union labor organizations at a basic rate of 75 cents a month. The association was formed under the active direction of G. R. Patterson, an organizer for the American Federation of Labor and a former state secretary of that organization.

Declares 25-Cent Dividend

A dividend of 25 cents per share on its common stock has been declared by the Excess of New York, payable to stockholders of record Dec. 30.

E. W. Cushing Is Appointed

E. W. Cushing of Albany, N. Y., has joined the American Automobile as special representative in upper New York state serving under R. C. Choate, resident vice-president at New York City.

W. R. Moore Has Resigned

W. R. Moore, field supervisor of the Great American Indemnity in Ohio, has resigned.

Timely Accident-Health Issues Treated, Conference Date Set

(CONTINUED FROM PAGE 29)

vocal defenders and there was no real discussion of that topic. The reduction at older ages proved, however, a live topic. Figures from the experience of two companies were presented, showing a decided increase in losses for ages 50 and over and a startling increase above age 60. Companies which put in such an increase, in accordance with the recommendations made at a conference of quarterly premium companies, reviewed their experience with it. It developed that there is a decided lack of uniformity in the provisions adopted. That showing brought about a discussion of the desirability of greater uniformity in some other minor policy provisions and it was decided that a committee of representatives of Chicago companies should be named to work with Harold R. Gordon, executive secretary, in formulating recommended phraseology for some of these provisions, to be submitted to the conference members for their approval.

Reinstatement Practices Reviewed

Closely related to the discussion on grace periods was that on reinstatements, which was brought up in the general discussion of underwriting problems, in charge of E. C. Budlong, Federal Life. That discussion was introduced by the reading of a brief paper prepared by E. Hauschild, assistant secretary Continental Casualty, who referred to the greater care taken at present in underwriting new business and pointed out the hazard of reinstating policyholders without any examination into physical, financial and other points which might affect the desirability of the risk, although there might have been a great change in these respects since the policy was originally issued.

The most interesting point brought out in a general discussion of reinstatement practices was that some companies are now requiring a brief reinstatement application where the policy has been lapsed for more than 20 days, endeavoring wherever possible to attach this application to the policy and make it a part thereof. It was also shown that several companies require higher rates where the reinstated policyholder is past the age where an increase in rates is made for new business. Other topics discussed in the same connection were the difficulty in classifying risks in "borderline" occupations, the value of inspection reports on new applicants and limits of indemnity.

Principal Sum Losses Normal

The discussion of principal sum losses in 1933, under the general topic of claims and loss ratios, in charge of C. O. Pauley, Great Northern Life, indicated that such losses are about normal. Increases made by many companies in principal sum rates have improved the loss ratio in that respect and the opinion was also expressed that there has been a decrease in suicides, which have been a big factor in principal sum losses in the past year or so.

There was considerable discussion of the unsatisfactory loss ratios in certain states or localities and the best method for correcting that condition and also on the question of what items should be allocated to "claim expense," in which it developed that there is some difference in the practice of various insurance departments as to what items should be so listed.

Other discussions were on legislation, in charge of J. F. Ramey, Washington National, in which it was pointed out that efforts are likely to be made to impose bigger taxes on insurance and companies were warned to be on the watch for such legislation; legal matters, in charge of E. St. Clair, North American Accident; relations with insurance departments, in charge of S. C. Carroll, Mutual Benefit Health & Accident; investments and valuation of securities, by C. W. Ray, Hoosier Casualty, and agency matters, in charge of George Manzelmann, North American Accident.

CONSERVATISM STILL AT PREMIUM

(CONTINUED FROM PAGE 29)

way regulations by state and municipal authorities. Rates now are substantially higher than previously, a condition compelled by excessive losses companies were subjected to, when payments were several million dollars greater than receipts from the line.

While the state corporation commission of Virginia recently ordered a 10 percent reduction in automobile liability and property damage rates in the state, instead of an increase of like amount asked for by the carriers, officials are gratified over endorsement given by the body of methods adopted by the National Bureau in its rating program. The commission based its objection to the rate increase solely upon acquisition cost, declaring that as a result of rate advances in recent years, the dollar return to agents had increased 75 percent, a figure held to be unjust to assureds.

Overland Trucks Expensive

While the underwriting record generally on motor cars in 1933 will doubtless be more satisfactory than in 1932, coverage on long distance trucks certainly will not contribute to such result. The general experience on this class of risks showed no improvement. It still is regarded purely as an "accommodation" line.

According to general report, premium income both on burglary and plate glass lines this year has held up well, and each is expected to yield a modest profit when final returns are tabulated.

In fidelity and suretyship, companies have had a hard time, the silver lining just appearing after three years of gloom. Premiums for both divisions in all probability will be below last year, due to the great falling off in contract bond applications, virtual collapse of the depository bond line and the caution underwriters were forced to exercise in considering public official bond applications and, in fact, all types of risks. The upset in financial, political and industrial circles combined to make the acceptance of risks a far more difficult task than under stable conditions.

Contract Bonds Booming

Of late, by virtue of the vast sums allowed by the federal government for public works, surety offices have been deluged with calls for contract bond covers, the capacity of the market being taxed at times to furnish full indemnity. Because of uncertainty as to the ultimate plans of the government with respect to bank depository insurance, the call for indemnity of this character from surety companies fell to a low point.

Salvages from banks in liquidation in which surety companies have an interest because of depository bond losses, have proved disappointing. Many assets of such banks still are frozen, with but slight hope of early liquidation, while such securities as have been disposed of were sold at a loss. The return of 78 percent which under normal conditions underwriters could count upon under claims paid on failed national banks, supplies no criterion for salvages to be recovered upon under present conditions.

There has been greater demand for fidelity coverages, particularly under position bond forms to take care of additional employes engaged since the pick-up in general business, but this advance is only modest. As a counter, the great number of claims that were filed since 1929 have been pretty well washed out. Such losses as have been reported this year were about what companies normally expect.

Reduction in income generally has increased expense ratio of casualty and surety companies, despite all economies put in effect. There is, of course, a fixed overhead that every going company must meet, regardless of income. While salaries and other controllable expenses have been cut to the bone, expense ratio is probably higher than in former years, and will continue so until premiums gain substantially.

Agents' Attitude Better

So far as the agency force is concerned, company officials report distinct improvement in collection of balances, and in the attitude of local agents toward underwriting departments. Agents have been made keenly aware during the past three years that if a company is to supply dependable indemnity it must collect adequate rates, and risks it accepts must conform to standards of safe underwriting.

Field men no longer argue for cut-rates but instead make clear to clients and prospects that insurance worth having is worth paying for. Agents are not now disposed to argue with underwriters as to the quality of submitted risks when these are challenged, but rather, they realize that if loss ratios are to be kept within bounds and their companies continue in business, recognized safety measures must be employed by assureds. The number of dependable casualty and surety companies now in the field is none too large and if local men are to obtain or retain their representation, they must cooperate in making underwriting a business safe for invested capital.

Central Mutual of Detroit Sues Its Chicago Namesake

DETROIT, Dec. 20.—Charges of misrepresentation and deliberate exploitation of a similarity in name are preferred against the Central Mutual of Chicago in a suit brought in the Wayne county circuit court by the Central Mutual Automobile of Detroit.

The Michigan carrier seeks an injunction to prevent the Chicago mutual from further use of its name in operations in this state and also asks damages in the amount indicated by the loss and damage suffered through activities of the Illinois carrier.

The bill sets forth that the Chicago mutual obtained a Michigan license in August, 1932, to write taxicab business. The Michigan carrier was asked by the department if it had any objection, due to the similarity of name and the possibility of confusion arising. In view of the limited purposes announced for Michigan operations of the Chicago carrier, the Detroit mutual acquiesced.

The Illinois mutual had scarcely established itself in the state before it began to seek a general business, it is alleged, promulgating a schedule of rates, building up an agency plant for general solicitation, and even proselyting, it is claimed, among the Michigan carrier's own agents. It is asserted that these agents were informed in most cases that the Illinois carrier was planning to absorb the Michigan mutual by purchase or otherwise.

Review Traffic Hazards

SAN FRANCISCO, Dec. 20.—Myron S. Wall of the Travelers has been named chairman of the traffic hazards section of the Commonwealth Club, with H. E. Manners, associate general manager National Automobile Club, as secretary. Dr. E. K. Strong, Jr., professor of psychology Stanford University, spoke yesterday on "An Exploration of the Possibilities of Psychological Contributions to Accident Prevention."

Two Big Companies Quit Compensation

(CONTINUED FROM PAGE 29)

percent. In 1930 it was 85 percent and in 1929, 75 percent.

The chances are that, although the official announcement states that compensation will be entirely cut off, these companies will continue to write a certain amount of care, custody and maintenance compensation insurance, in view of the fact that they are rather large writers of the desirable owners', landlords' and tenants' liability line.

Brokers and agents who have placed business in these companies are naturally disturbed, because the compensation market is so restricted that there will be much difficulty in replacing the coverage. The chances are that the larger risks where considerable premium is involved and the conditions are acceptable, may be transferred without much difficulty, but the telephone and shoe leather expense will be great in attempting to find new carriers to handle the small risks.

Text of Bulletin

The bulletin to agents reads as follows:

"For many years it has been known to casualty insurance companies and their agents, and to state insurance departments, and in fact to the general insuring public, that insurance companies have underwritten workmen's compensation and employers' liability at a heavy loss. Just how great this loss has been has not been known to all insurance producers, nor to many purchasers of insurance.

"With this thought in mind we believe it will be enlightening to all concerned, including the workman and the workman's family, to know that statistics compiled by the National Bureau of Casualty & Surety Underwriters (taken from all reports made by companies to the New York state insurance department) show the underwriting loss to insurance companies on workmen's compensation for periods respectively, of four years and ten years, ending December 31, 1932, to be: four years, $75,008,215; ten years, $141,456,343.

Necessary Service

"Despite this enormous drain, casualty insurance companies have believed that they were rendering to the insuring public, and this means the nation, a necessary service, and that because thereof the time would come when they would be permitted to collect a rate adequate to the hazard assumed. Both the record for four years and the record for ten years prove this hope to be vain.

"A comprehensive analysis of the business and the reasons for the bad results could be given to you. We believe, however, that to any thinking agent having at heart the welfare of the company he represents, it is not necessary to present details. The broad facts are sufficiently enlightening.

"After mature consideration this company has determined to cease underwriting workmen's compensation and employers' liability, and you are therefore instructed to immediately cease accepting for our account the classes named.

"We recognize that in many cases compensation and/or employers' liability furnish a substantial part of the premium income of an agency, but we do not believe that any conscientious agent can expect any company to continue underwriting such disastrous classes.

"It is proper to say to you that we will of course do all in our power to render to you the best of service in every consistent way."

G. & R. Gets Pledge of Aid from R. F. C., Charts Future

(CONTINUED FROM PAGE 3)

ness of the G. & R. to the Reconstruction corporation, although this is the assumption. The R. F. C. has agreed to make available $3,500,000 for purchase of first preferred stock if an equal amount of second preferred is purchased by others, including policyholders and creditors. Then there is the stipulation that $500,000 of new cash capital must be furnished by other than these sources.

Soon after the rehabilitator was appointed by the Globe & Rutgers, the management undertook to have creditors sign assents to a plan, whereby preferred stock would be taken in satisfaction of the claim. About $7,000,000 of claims were signed up. This is believed to be about 50 percent of the claims, which are now estimated at $6,500,000 unpaid losses and $8,500,000 unearned premium liability.

Sounds Out Claimants

Whether the $3,500,000 junior preferred stock, which must be raised to match the R. F. C.'s subscription will be issued to those who signed the assents originally has not been announced. Some of the largest claimants did not sign up and recently the Globe & Rutgers has been sounding out these interests to determine whether they have changed their attitude towards the preferred stock idea.

The method followed in assisting the G. & R. is a variation of the procedure in making loans for bank reorganizations, where the corporation itself frequently purchased the preferred stock. It was explained, however, that the organization, under the reconstruction finance act, has authority to lend funds to anyone on adequate security, when they are to be used in purchasing stock in reorganized corporations.

Under the arrangement to be followed in reorganizing Globe & Rutgers, those who purchase the first preferred stock from loans granted by the R. F. C. will deposit it with the corporation as security for the loans. This method, it is understood, is being followed because other insurance companies which have reinsured themselves through Globe & Rutgers are the largest class of creditors of the concern.

The government loan is conditioned upon the company fulfilling other requirements, but it is indicated that these will offer little difficulty since the Reconstruction Corporation seldom obligates itself formally until reasonably assured that the agreement will be carried out.

Acker to Give Lectures

NEW YORK, Dec. 20.—Milton Acker, manager of the compensation and liability department of the National Bureau of Casualty & Surety Underwriters, will give a series of lectures on casualty insurance at Columbia University during the spring season beginning Feb. 7.

Relieved of Guaranty Fund Bonds

LINCOLN, NEB., Dec. 20.—An order of the Nebraska supreme court, just entered, relieves the Fidelity & Deposit, Globe Indemnity and American Surety of final liability on bonds they signed eight years ago for members of the state guaranty fund commission, created to operate state banks that had been taken over by the state, in the hope of conserving assets. The commission was sued by Morrill county for $50,000, the amount of a deposit lost in a bank that body had operated for a time as a going concern, claiming liability because of alleged mismanagement, and joining the surety companies as defendants. In ordering final dismissal the supreme court said that all acts done by the commission were with statutory approval.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago, at close of business Dec. 18

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.	10	1.60	44	47
Aetna Fire	10	1.60	28	30
Aetna Life	10	...	13½	15
Amer. Alliance	10	1.00	13	15
American, N. J.	2.50	.50	6¾	7¼
Amer. Surety	25	...	13	15
Automobile,Conn.	10	1.00	18	20
Boston	100	16.00	395	410
Carolina	10	1.00	13	15
City of N. Y.	100	7.50	115	122
Conn. General	10	.80	24	25½
Continental Asur.	10	2.00	24	26
Continental Cas.	5	...	9½	10¼
Continental Ins.	2.50	1.20	23	24
Fidel.-Phenix	2.50	1.20	23	24
Fire Assn.	10	1.00	32	33
Fireman's Fund.	5	3.00	48	49½
Fireman's F. Ind.	10	...	18	22
Firemen's	5	...	3½	4½
Franklin Fire	5	1.00	15½	16½
Glens Falls	10	1.60	26	28
Great Amer. Ind.	1	...	6	8
Great American.	5	1.00	14¼	15¼
Hanover	10	1.60	22½	23½
Harmonia	10	*1.00	15	17
Hartford Fire	10	2.00	38	40
Hartford St. B.	10	1.60	41	43½
Home, N. Y.	5	1.00	16	17
Home F. & M.	10	2.00	25	28
Ins. Co. of N. A.	10	2.00	37	38
Maryland Cas.	1	...	1	1½
Mass. Bonding	25	...	10	12½
National Cas.	10	...	4¼	5
National Fire	10	2.00	39½	41
National Liberty.	2	* .20	3¾	4½
National Union	20	...	55	58
New Amst. Cas.	5	1.20	9	10
New Brunswick.	10	1.00	15½	17
North River	2.50	.60	15	16½
N. W. National	25	5.00	80	85
Occidental	10	...	13	14
Pacific Mutual.	10	2.00	21	23½
Phoenix, Conn.	10	2.00	47½	49½
Prov. Wash.	10	.80	21	23
Sprgfld. F. & M.	25	4.50	75½	77½
St. Paul F. & M.	25	6.00	112	115
Travelers	100	16.00	320	330
U. S. Fire	4	1.20	30	32
U. S. Fid. & G.	2	...	3	3½
Westchester	2.50	1.00	17½	18½

*Paid during 1933.

Singing the Scorch Song, Lament of Local Agent

(CONTINUED FROM PAGE 13)

been loaded in proper proportion to pick up the scorch claims? Some companies retort, "Because some states govern the rates themselves and they would not consent to increase." It is hard to believe that the business has reached such a state that a common sense presentation of honest facts and figures before any rate making body would not be given consideration.

It is our opinion that a backward step has been taken. Progress, at least in fire insurance, would be denoted in taking out 50 percent of the present exclusions, getting a proper rate, and using more stringent underwriting. And we venture a prediction that premium volume would increase and loss ratios decrease.

We reiterate that we question your use of the word "rightfully."

Standard Accident Lost Case

The Standard Accident of Detroit has lost its appeal in the federal circuit court of appeals in Chicago on the decision by a federal district court jury in Milwaukee a year ago which awarded Mrs. Meta Van Altena, of Whitefish Bay, Milwaukee suburb, $7,500 on an accident policy issued to her husband, W. E. Van Altena, assistant actuary of Northwestern Mutual Life. Mr. Van Altena was found dead of carbon monoxide poisoning in the garage of his home on Jan. 23, 1932. The Standard Accident refused to pay the $7,500 and in court sought to show that death was not accidental. The jury decided in favor of the widow and the company appealed, but the decision was affirmed.

The new **Accident & Health** selling canvasser, the Pictograph, is only $3. The National Underwriter.

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REINSURANCE CORPORATION

Casualty-Fidelity-Surety

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AUTOMOBILE INSURANCE with attractive selling features which make it easy to keep sold including preferred rates to careful and cautious drivers.

ACCIDENT & HEALTH INSURANCE which covers every kind of accident or sickness and is free from annoying restrictions and technicalities.

HOME OFFICE, LANCASTER, PA.

J. W. Smiley
President

E. W. Cook
Genl. Mgr.

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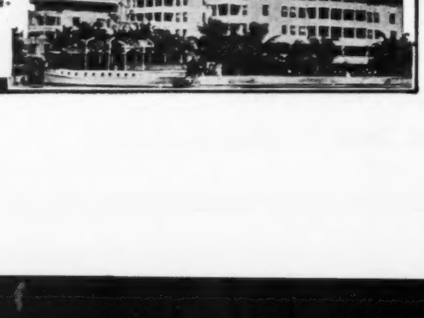
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THE NEIL HOUSE
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THE MAYFLOWER

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ACCIDENT AND HEALTH FIELD

Rascoe Case Effect Slight

Later Decisions on Point at Issue in Famous Decision Against Federal Life Are Reviewed

The famous Rascoe case against the Federal Life, decided in 1926, has not had nearly as bad an effect on accident and health companies and life companies writing disability benefits as was feared at that time, Jerome Kutak, counsel for the Federal Life, told the Chicago Claim Association at its December meeting. Mr. Kutak reviewed the court decisions since that time, surprisingly few in number, in which the issues raised in the Rascoe case were brought up.

In that case, which originated in Tennessee and was decided by the United States circuit court of appeals for that district, it was held that there had been a breach or repudiation of contract when the company refused to make further payments to the assured on the ground that she was no longer totally disabled, and that she was entitled to recover as damages the entire amount that would be due for the rest of her life expectancy, based on actuarial tables, which in this case amounted to about $23,000. It was felt by many company officials at that time that the decision was fraught with great danger to the business.

Rejected by Other U. S. Courts

Mr. Kutak showed, however, that the federal courts in other sections have uniformly refused to accept that doctrine, specifically referring to the Rascoe case in some instances and holding that while an assured can sue for indemnities that would be due at the time of the suit, he cannot recover for those that are to accrue in the future. Only in Arkansas have the state courts of last resort followed the rule laid down in the Rascoe case, but some of the decisions there have gone even farther on that point.

Mr. Kutak also discussed what constitutes repudiation of a contract, pointing out that this occurs only in cases of fraud or misrepresentation in securing the policy, in which case the company contends there never has been a valid contract, and in case of lapse, where the contract has ceased to exist, and that there is not a repudiation where the company declines to pay a claim on the ground that it is not covered by the policy, as that action recognizes the contract as still being in effect, although in the Rascoe case that action was construed as a repudiation.

While the United States Supreme Court declined to review the Rascoe case, thus leaving the judgment of the lower court in effect, Mr. Kutak expressed the belief that if the point at issue ever came squarely before the supreme court it would not sustain the doctrine of anticipatory damages.

Detroit Speaker Points Out Big Annual Disability Cost

DETROIT, Dec. 20.—The annual cost of disability in Wayne county (Detroit) is about $64,664,000, and the average cost per case is $22, Dr. A. H. Whittaker, prominent Detroit physician and surgeon, told the Accident & Health Managers Club of Detroit at the December meeting.

Carelessness of automobile drivers accounts for the greatest economic loss through disability, he held. The police department estimates the annual cost of such disability here at $30,000,000. "In a recent study of such cases in 19 hospitals it was found that accidents of this kind represent an average stay of 12 days per patient at a cost of $4.73 per day," he said. Industrial plant accidents probably rank second in this area.

The typical Ford employe's family, he said, makes $1,720 per year, of which the Ford budget allows $59 for insurance. Certainly a share of this income in each family should be devoted to income protection, he asserted.

Anaesthetic Idiosyncracy Makes Death an "Accident"

LANSING, MICH., Dec. 20.—Death due to "hyper-susceptibility" to an anaesthetic used in a minor operation is accidental within the meaning of the act defining accident insurance, according to the Michigan supreme court in W. H. Wheeler vs. Title Guaranty & Casualty.

Mrs. Wheeler died during a tonsil operation in the office of a Grand Rapids physician. The company contested the claim under an accident policy on the ground that death arose from the operation, a hazard excluded in the contract.

The physician testified that the woman's death was not due to the effects of the operation but to an idiosyncracy in her physical makeup which rendered the anaesthetic, nupercaine, a fatal poison. Some similar cases were cited in which fatal reactions to novocaine, another anaesthetizing drug, were construed to be accidents.

Provident L. & A. Dinner

LOS ANGELES, Dec. 20.—The southern California department of the Provident Life & Accident held a dinner meeting with G. D. Thomas, western supervisor, as toastmaster. Andrew Hansen, Long Beach district manager, discussed the company's organization and policies. W. M. Stufflebeem, Los Angeles manager of the Retail Credit Company, explained the importance of inspection reports, and B. J. Dickson, Occidental Life, discussed "Business Insurance." Other speakers were M. S. Lyttle, Los Angeles general agent for the life department of the Provident, and F. H. Dibble, general agent for the accident department.

Attorney Is Los Angeles Speaker

LOS ANGELES, Dec. 20.—Thorwald Siegfried, Los Angeles attorney, spoke at the meeting of the Accident & Health Managers Club here on "Inflation and Deflation." The Dec. 26 meeting will not be held. C. H. Thrift, Behrendt-Levy Agency, is in charge of the Jan. 9 meeting.

New Wisconsin Company

The Personal Indemnity of Eau Claire, Wis., has been licensed by the home department. This is a limited accident and health mutual.

Pyramid Accident Licensed

The Nebraska department has licensed the Pyramid Accident of Omaha, an assessment accident and health association.

The Mutual Benefit Association, with nominal headquarters in Huron, S. D., and business office in Pueblo, Colo., has been incorporated in South Dakota to write sick benefit and death benefit insurance, by W. A. Johns, J. A. Johns and M. G. Saemson, all of Huron.

Seven Training Courses

Seven fire and casualty training courses are scheduled by the Aetna Life in 1934. Amos Redding will be in charge. This year five classes were held and 300 passed through the school.

The Motor Club Insurance Company of Newark, N. J., has changed its name to the Atlantic Casualty.

CASUALTY ASSOCIATION NEWS

U. S. F. & G. Attorneys Gather

Former Officers Reelected at Annual Meeting in Baltimore—Davis Is Host at Dinner

BALTIMORE, Dec. 20.—E. Ashbury Davis, president United States Fidelity & Guaranty, was host to the members of the associated offices of the attorney's list of the company at a dinner following its annual meeting here, with 60 in attendance.

A. H. Culver, Chicago, president and treasurer; E. C. Brandenburg, Washington, D. C., vice-president, and H. J. Chillenden, Toledo, O., secretary, were all reelected. W. N. Reynolds, Wilkes-Barre, Pa.; R. A. B. Cook, Boston; W. McDonnell, Memphis, Tenn., and B. G. Watson, Columbus, O., were elected members of the executive committee.

The speakers at the dinner, at which R. Howard Bland, chairman of the board, presided, were Mr. Davis, Mr. Culver, W. B. Henderson of Memphis, president Commercial Law League of America; State Senator G. L. Reed, Harrisburg, Pa., and Sol Weiss, New Orleans.

Floyd Dull Made President

NEW YORK, Dec. 20.—The customary enjoyable time featured the Christmas party of the Casualty & Surety Club. The nominees recommended by the committee and unanimously chosen as officers were: President, Floyd N. Dull, Continental Casualty; first vice-president, J. A. Griffin, Fidelity & Deposit; second vice-president, Wallace J. Falvey, Massachusetts Bonding; secretary-treasurer, E. V. Lonergan, Continental Casualty. The executive committee includes J. H. Grady, General Accident; E. B. Southworth, Aetna Casualty & Surety; M. L. Jenks, American Surety; J. I. Barton, Maryland Casualty, and J. R. English, Standard Surety & Casualty, the last named having served as president the past year.

Worcester Adjusters Elect

WORCESTER, MASS., Dec. 20.—The Worcester County Casualty Adjusters Association at its annual meeting elected these officers: President, Daniel Gay, Worcester; vice-president, Paul J. Cahill, Worcester; secretary, Richard E. Terpstra, Shrewsbury; treasurer, E. R. Desmarais, Worcester; chairman executive committee, Robert Tully, Shrewsbury.

Canadian Adjusters Elect

H. R. Magill, Employers Liability, has been elected president of the Ontario Insurance Adjusters Association. Vice-president is Malcolm Lennox, A. E. Wilson & Co.; secretary is L. R. Freeman, Zurich.

H. W. Falconer Is President

H. W. Falconer of the Dominion of Canada General has been elected president of the Canadian Casualty Underwriters Association. The first vice-president is Alex Hurry, Northern Assurance, and second vice-president is George Weir, Phoenix Assurance.

NEWS OF THE COMPANIES

National Surety Is in Clear

Unanimous Decision in the Company's Favor Places It in Satisfactory Position

With the decision upholding the plan of organization of the new National Surety as authorized by the New York department, having been made, its legality is beyond question as it was unanimous. The National Surety itself in view of a unanimous decision cannot appeal the case to a higher court. The bond holder who filed the suit attacking the legality of the plan feels that there will be nothing gained in carrying the case up, but in order to have the higher court pass on the question, and thus make the position of the company more formidable it is endeavoring to have the case financed so that an appeal can be taken.

The National Surety is receiving more premiums than it had fixed for the year. It is confining its operations to those classes of bonds which had always been profitable with the old company. There were certain kinds of bonds that never failed to make a profit. The new company, therefore, has eliminated all the unprofitable departments.

Travelers Dividends

The regular quarterly dividend of $4 per share payable Dec. 30 to stockholders of record Dec. 18, has been declared by the Travelers. An annual dividend of $16 has been declared by the Travelers Indemnity, which is wholly owned by the Travelers. A $4 dividend has been declared by the Travelers Fire, which is wholly owned by the Travelers Indemnity. This is the first dividend that the Travelers Fire has ever paid. Last year the Travelers Indemnity paid $14 a share to the Travelers.

C. L. Taylor, president of Taylor, Senn Company of Hartford, and president of the Collins Company of Collinsville, Conn., has been elected a director of the three Travelers' companies. He succeeds E. C. Johnson, president of the First National Bank of Hartford, who died recently.

Liquidate Coast Reciprocal

The Automobile Owners Indemnity Underwriters, Los Angeles reciprocal, which has been operated under control of the California department for the past year in an effort to salvage its affairs, has been declared hopelessly impaired and the department has been appointed receiver. J. L. Maritzen, who has been acting as conservator, will now liquidate its affairs.

Middle States Under Way

The Middle States Casualty of Oklahoma City, which recently received its Oklahoma license, is now getting under way and has already met a response in its home state.

The company starts with paid in capital of $51,000 and net surplus of $15,000. Authorized capital is $100,000.

President J. N. Parsons is well known in insurance circles in the southwest. J. C. Mondie, former head of the John C. Mondie Oil & Gas Co., is vice-president and H. W. Treckell, former manager of Swift & Co. at Oklahoma City, is secretary.

Receiver Is Requested

The American Preferred Risk Underwriters of Chicago has been referred by Insurance Director Palmer of Illinois to the attorney general with the request that he bring action for the appointment of a receiver. This is a Lloyds organization, whose business was reinsured in the now defunct Fort Dearborn of Chicago, the Central Mutual of Chicago, Sterling Casualty of the same place, and

GENERAL AGENTS

This cooperative goodwill campaign which explains the advantages of the General Agency plan is fostered by the General Agents whose names are listed. Each of these is a member of the American Association of Insurance General Agents. Their duties are purely supervisory.

The value to agents of placing business through General Agencies was never more apparent than today. . . . General Agents are always willing and ready to help Local Agents with any insurance problems. . . . General Agents know their territory by being right on the ground and their knowledge saves Local Agents and their assureds dollars as well as valuable time. . . . Get acquainted with your nearest General Agent listed below. . . . You will find that contact helpful.

ARKANSAS

COATES & RAINES, INC.
LITTLE ROCK, ARK.

CALIFORNIA

EDWARD BROWN & SONS
SAN FRANCISCO, CALIFORNIA

GEORGIA

HURT & QUIN, INC.
ATLANTA, GA.
Territory:
Georgia, Alabama, Florida, So. Carolina

A. H. TURNER
ATLANTA, GEORGIA

KANSAS

KANSAS UNDERWRITERS
WICHITA, KANS.
Territory:
Kansas, Missouri, Oklahoma

KENTUCKY

BRADSHAW & WEIL, GEN. AGCY., INC.
LOUISVILLE, KY.

MICHIGAN

A. J. HOLSTEIN GEN. AGCY.
DETROIT, MICH.

MISSOURI

J. H. GOOD
DWIGHT BUILDING
KANSAS CITY, MISSOURI
Territory:
Missouri and Kansas

M. L. LINTON & COMPANY
COTTON BELT BLDG.
ST. LOUIS, MO.
Territory: Illinois and Missouri

NEBRASKA

THE HARRY A. KOCH CO., Inc.
INSURANCE
OMAHA

TEXAS

CRAVENS, DARGAN & CO.
HOUSTON, TEX.
Territory:
Texas and New Mexico

These General Agents Do not Compete with Local Agents—They Are in Effect Home Offices in Their Territory

Girard F. & M. An examination revealed that its affairs were in tangled shape and a receivership is deemed necessary.

U. S. Guarantee's Position

The United States Guarantee is maintaining its premium income in splendid shape this year. In days gone by a large portion of its business was in contract bonds. When the contract business met a slump the United States Guarantee branched out into other fidelity and surety lines and now has a well balanced ration. It is featuring forgery bonds among its agents and brokers. Many of these are using this line as a cold canvass proposition in order to extend their list of prospects.

Car & General Is Cited

NEW YORK, Dec. 20.—Held to have violated the law in writing nine automobile liability policies improperly, the Car & General, has been reported by Superintendent Van Schaick to the attorney general, "to bring an action invoking a penalty for wilful non-compliance with its rate filings." The company was warned moreover against "continuance of careless handling of claims." The management feels it is innocent of wrong doing and welcomes an investigation.

Pay Regular Dividends

The Aetna Casualty has declared a regular quarterly dividend of 40 cents payable Jan. 2 to stockholders of record Dec. 18. The Automobile of Hartford, an affiliated institution, declared a regular dividend of 25 cents a share. The majority of these stocks is owned by the Aetna Life, which has not taken any dividend action.

The Beit Casualty of Chicago has withdrawn from Tennessee and is no longer licensed in that state.

PERSONALS

Hayward S. Thompson, president of the General Underwriters, Detroit general agents of the Hartford Accident, has been elected president of the Savoyard Club, Detroit's skyscraper luncheon club.

Casualty claim men will appreciate one of the scenes from the **Chicago Bar Association's** annual lampooning musical comedy, "Christmas Spirits, 1933." In the skit three personal injury lawyers demand an NRA code. One asked for standardization of "slips" to doctors and nurses, the second for slower ambulances so the chasers would not be outrun, and the third for a 40-hour week for witnesses, including "rehearsals."

DETROIT AGENCY

Capable of furnishing complete branch office services desires Michigan franchise of a sound progressive casualty and surety company desiring to enter Michigan or one desiring to discontinue present Michigan branch office. Agency will bear complete investigation as to capabilities of underwriting heads, production prospects and financial stability. Box **Y-9,** The National Underwriter.

FIDELITY AND SURETY NEWS

Michigan Liquor Bonds Set

New Law Opens Way for Considerable New Business—Provisions of Contract Given

LANSING, MICH., Dec. 20.—Michigan's newly enacted liquor control law opens the way for considerable new bond business. Bond provisions in the act were measurably strengthened by the conference committee which decided on the final form of the law. The conference report was adopted by a narrow margin in both houses and the governor signed the act late last week.

Retail dealers in spirits for consumption on the premises must furnish the heaviest bond, ranging from $5,000 to $10,000 at the discretion of the liquor control commission. Such dealers may only be licensed, however, by consent of the local governing bodies of the communities affected. Dealers in beer and wine for consumption on the premises must furnish bonds ranging from $3,000 to $5,000.

Provision of Bond

Conditions of the bond are that "any such retailer will not directly or indirectly * * * * sell, furnish, give, or deliver any alcoholic liquor to a minor except as provided in this act, nor to any adult person whatever who is at the time intoxicated and that he will pay all damages, actual and exemplary, that may be adjudged to any person or persons for injuries inflicted upon him or them, either in person or property or means of support or otherwise, by reason of his selling, furnishing, giving or delivering any such alcoholic liquor."

The law fixes manufacturers' bonds at $5,000, those of wholesalers at $2,500, warehousemen $2,500, and specially designated merchants (dealing in bottled goods for consumption off the premises) at $1,000. Terms of the bonds are compliance with provisions of the statute. Bonds are also required of manufacturers of various products including liquor in their makeup, the amount to be fixed by the commission. Officials and employes of the commission handling money and all specially designated distributors must also provide bonds fixed by the commission.

Must Pay for Snuff, Tobacco

MONTGOMERY, ALA., Dec. 20.—Under the Alabama law merchants who supply materials that go into the building of a public highway have a right to look to the surety on the road contractor's bond if the contractor does not pay them. The United States Fidelity & Guaranty had to pay a bill on a defaulting contractor's bond, which included snuff and tobacco used by employes while working on the road.

Gas Tax Bond Meeting

SPRINGFIELD, ILL., Dec. 20.—Representatives of a number of surety companies are meeting here this afternoon in the office of the department of finance to discuss ways and means of writing motor fuel distributors' bonds in the state. Most of the companies refuse to write such risks and the state is interested in making the business attractive. These bonds guarantee the payment of the motor fuel tax and on the strength of the bonds, the state permits the distributor to pay the tax monthly instead of at purchase. J. M. Braude, assistant to the director of the department of finance, called the meeting.

Can Require Bond

LANSING, MICH., Dec. 20.—Attorney-general O'Brien has ruled that township boards may require township treasurers to furnish tax collection bonds despite repeal of the law which made it mandatory for the treasurer to furnish bond for state and county taxes collected before accepting the tax rolls. "Under the law as it now stands," the opinion states, "the township treasurer need not furnish a bond to the county treasurer covering state and county taxes but the township itself is liable to the county for any defalcation or failure of due diligence in collecting the taxes on the part of the township treasurer."

Disregard Murray Order

OKLAHOMA CITY, Dec. 20.—County treasurers in Oklahoma have uniformly followed the instruction of companies that wrote their surety bonds to disregard the executive proclamation in which Governor Murray sought to extend beyond Dec. 1 the period for payment of delinquent taxes without penalty or interest. The companies followed the opinion of Attorney-General King that the governor lacked authority to extend the time beyond the date set by the legislature.

Agitation is developing for a special session to extend the time for payment.

WORKMEN'S COMPENSATION

Missouri Rates Increased

Insurance Department Allows 2½ Percent Higher Schedule—Below Request of National Council

ST. LOUIS, Dec. 20.—Workmen's compensation rates in Missouri will be increased an average of 2½ percent on Jan. 1, when new schedules of rates recently approved by the Missouri insurance department go into effect. The total increase under the new rates will approximate $75,000 a year. Increases were allowed on 185 of the 725 classifications, while some decreases were made and other classifications remain unchanged.

The number of increases granted was considerably below the request made by the National Council on Compensation Insurance when it filed its application for 1934 rates with the Missouri department.

The application had divided the classifications into three groups, contracting, manufacturing and "all others." It asked for increases in the contracting classifications of about 29 percent and in the "all others" group an average raise of 9 percent and would have decreased the rates in manufacturing classifications an average of 12 percent.

In its order the department stated that economic conditions in the state are improving and predicted increased industrial payrolls in 1934. The premiums on compensation insurance in Missouri had ranged from $6,300,000 to $8,300,000 prior to the depression but dropped to only $3,700,000 in 1931 and the estimated total collections for 1933 were placed by department experts at only $3,000,000.

Malah Names Committee

Peter Malah, manager Illinois branch National Bureau of Casualty & Surety Underwriters, as chairman of the committee to keep in contact with the Illinois industrial commission on certain new developments, has appointed on the committee, the Zurich, Continental Casualty, London Guarantee and Globe Indemnity. The industrial commission contemplates requiring companies to file certificates and termination notices when binders are issued. It also contemplates prohibiting the writing of blanket compensation policies for receivers.

P. J. Angsten, chairman Illinois industrial commission, has called another meeting of company representatives Friday afternoon of this week. A new point will be injected at that meeting. The industrial commission intends to enforce strictly the 1932 law, which provides that the compensation policy must cover all of the operations of an assured. This will prevent contractors, for instance, who are already insured from purchasing separate compensation insurance to cover their operations on a single job.

Compensation Digest Revised

F. Robertson Jones Has Completed the Thirteenth Edition of This Valuable Reference Book

The 13th edition of the "Digest of Workmen's Compensation Laws in the United States and Territories, with Annotations," revised to Nov. 1, 1933, which was compiled and edited by F. Robertson Jones, general manager of the Association of Casualty & Surety Executives, 1 Park avenue, New York City, is now ready for sale at $8 per copy. It covers all the compensation laws in effect in the United States and territorial possessions, exclusive of the federal soldiers' and sailors' compensation law, the federal law applying to civil employes of the United States, the Philippine Islands' law for the compensation of injured employes of the insular government, and such state acts as have been declared unconstitutional and void. It is divided as follows:

1. An introduction containing: (a) Summary of workmen's compensation legislation in 1932 and 1933; (b) a chart analysis of the workmen's compensation laws; (c) a chronological table showing the date when the earliest federal compensation act and the earliest compensation act in each state and territory, respectively, became effective; (d) a table of leading British and Canadian cases construing or relating to provisions of workmen's compensation statutes.

2. A digest of the provisions of the statutes (including citations of leading decisions), in the same form as in the preceding edition of this Digest.

Carelessness Causes Deaths

An analysis of the Travelers' October personal accident death claims shows that six of the 17 were caused by automobile accidents. The majority of these could have been avoided by the exercise of reasonable care in driving. Railway accidents were of frequent occurrence and resulted in much loss of life at one time, said the Travelers "Protection" in commenting on the need for greater precaution in automobile driving. Safety devices and other equipment were installed and accidents were eliminated. Such precautions should be taken by motorists but little progress will be made unless heavy penalties for infractions of driving rules are imposed.

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THE IMPROVED

ARGUS Fire and Casualty-Surety CHARTS *are the most comprehensive*

Show More Companies

An actual count of companies for which 1932 statements were shown in the 1933 editions, shows the Argus Fire Chart with 905 companies; second chart, 544 companies; third chart, 356 companies.

For Casualty and Surety companies, the Argus Casualty Chart has 550 statements; the other chart, 406 (1932) statements.

Five hundred and five **(505) extra** companies and larger showings for about 350 additional companies (in the two Argus Charts)—that's why we say "most comprehensive." Of course, many of these are small companies yet **in the aggregate they are important** and in every territory some are strong, active and aggressive and agents need to know about them. And there is no extra cost for this additional important information.

ARGUS Fire and Casualty-Surety CHARTS *have the simplest arrangement*

"You can find it in the ARGUS"

The Argus Fire Chart has only three (3) major classifications, comparable to nine (9) classifications of companies in another fire chart.

The Argus Casualty-Surety Chart has five (5) classifications (two of which are Accident and Health) comparable to eleven (11) classifications of another casualty chart.

In the Argus Chart there is only one place to look for a Stock Company, one place for a Mutual Company, etc. Some charts carry many different classifications of companies, so many that in one for instance, there are seven different places where one type of company might be found if the user is not familiar **with the company** as well as with the chart.

ARGUS Fire and Casualty-Surety CHARTS *are improved and enlarged*

Are Issued Early

Big improvements—additional data—more items from the statements, more ratios, more companies, better printing and earlier delivery were features of the enlarged Argus Charts for 1933. For instance, five ratios to premiums are shown for Stock Fire Companies, instead of three as formerly given.

More Information at no extra cost!

Company Executives are invited to write for free samples, prices and detailed information —address

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To get real "full measure"—the most complete as well as most usable charts for 1934.

Order ARGUS Fire and Casualty-Surety CHARTS

Please! **Dear Santa,**

GIVE ME A NEW IDEA



The old ideas of insurance salesmanship have produced billions of dollars in premiums. Yet the insurance agent and broker feels he could accomplish wonders with a new idea.

To a certain extent, at least, they're right. They look for new ideas in magazines such as this. They scan company publications with the same thought in mind.

In the December issue of The Employers' Pioneer are a few new ideas for somebody. We make no guarantees that they will be new to you. They may suggest something new, however. And remember the old ideas have produced business.

Read the story of the wharf fire. Review the mistakes of an assured brought to light by an insurance survey. Another contribution from a man on the firing line concerns court bonds and lawyers. A true story showing the contracts written as the results of a personal accident policy may prove another "Santa Claus" for ideas. So may the article on residence theft insurance.

The subjects of furnace explosion, collections, and court decisions illustrating just what is an employee are also found in this issue. All are written with the purpose of helping the men on the firing line.

But no idea is worth a great deal unless it is followed by action. The idea of this advertisement is to sell you on the proposition that the December issue of The Employers' Pioneer may help you to produce more business. The action we suggest is that you send in your request for this issue to The Publicity Department, 110 Milk Street, Boston, Massachusetts. There is no obligation on your part.

The Employers' Group *The Employers' Liability Assurance Corp. Ltd. • The Employers' Fire Insurance Co. • American Employers' Insurance Co.* **110 Milk Street, Boston**